



Daily Report

East Asia

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Europe, Asia Set Action Plan Scope for Investments
BK0907042996 Bangkok *THE NATION* in English
9 Jul 94 p B2

[Unattributed Report]

[FBI Transcribed Text] Senior officials and private sector representatives from twenty-five countries from Asia and Europe yesterday decided to set the scope for the future action plan to promote investment between the two regions.

The investment action plan was described as a flagship for future cooperation by Deputy Premier Amnuai Wirawan.

The two-day meeting, attended by both senior government officials and representatives of the private sector, was an initiative of the first-ever Asia-Europe summit (Asem) held in Bangkok in March.

Both sides stressed an equal partnership at the time, and Amnuai, speaking at a reception on the eve of Monday's talks, said, "The other side should not overwhelm its counterpart with any condition or belief."

Central to the talks is the Investment Promotion Action Plan, drafted by Thailand, which aims to balance investment between Asia and Europe.

The results of the meeting are to be forwarded to an Asem senior officials meeting in Brussels on July 24 and 25.

According to Sathaporn Kawitamon, secretary of the Board of Investment, the areas outlined for future cooperation are investment policy and regulations, standards and certification, financial support, technology transfer and skills development, investment promotion activities and environmental issues. In addition, the participants will discuss how Asia and Europe could promote small and medium scale industries. In addition, the meeting aims to facilitate the transfer of professionals and eliminate the impediments to investment between the two regions.

Sathaporn said that so far the European investors seemed to be interested in large-scale investment

projects because these kinds of projects are more publicized and better known than smaller-scale projects. The Asem meeting therefore should aim to promote small and medium-sized industries.

Karl Sauvant, chief research and policy analyst from Branch Division on Transnational Cooperation and Investment at the United Nations Conference on Trade and Investment, suggested that a Europe-Asia Management Centre should be set up in the European Union to attract business students from Asia, thereby promoting mutual understanding and personal networks.

The European participants also suggested their Asian counterparts should embark upon the future liberalization to strengthen market mechanisms and temper market distortions.

On investment policies and regulations, the participants have outlined possible options such as developing a set of investment principles with options ranging from non-binding to fully-binding, and implement business-oriented dispute resolution and self-regulating industry codes on business practices. On financial support, the possible options are for a fund to promote cross-Asem investment to be set up, or the public and private sectors could work to promote the greater mobilization of private funds for infrastructure development and privatization.

On technology transfer, the public and private sectors might try to set up a scholarship programme or promote industry-education links and a joint trading programme. The Asem meeting might also promote Asem-wide industry associations to protect intellectual property rights.

On investment promotion, the private sector might help finance a business information and business support centre or promote networks of public and private sectors such as chambers of commerce.

The participants are expected to come up with a draft investment action plan at the end of the meeting today.

Brunei Urges Inclusion of Australian State in Growth Area

BR0807072396 Manila PNA in English
1158 GMT 7 Jul 96

[Report by Malou L. Sayson — received via Internet]

[FBIS Transcribed Text] Davao City, July 6 (PNA) — Brunei Darussalam Minister of Industry and Primary Resources Pehin Dato Abdul Rahman Taib today called for the accommodation of neighboring governments such as the Australian Northern Territory in the Brunei-Indonesia-Malaysia-the Philippines East ASEAN Growth Area (BIMP-EAGA).

As Rahman Taib urged BIMP-EAGA senior officials to develop a mechanism to accommodate neighboring countries and other third parties, he welcomed the admission of seven more provinces of Indonesia into the growth area.

These seven provinces admitted into the BIMP-EAGA include South Kalimantan, Central Kalimantan, Central Sulawesi, South Sulawesi, Southeastern Sulawesi, Maluku, and Irian Jaya.

According to Rahman Taib, the admission of these seven provinces into the BIMP-EAGA, which already encompasses East Indonesia, East Malaysia, and two islands from the Philippines, namely Mindanao and Palawan, will not only increase the market base which is at a level of 40 million consumers, but more importantly, it reflects the dynamic nature of the BIMP-EAGA grouping.

But the Bruneian minister underscored the need for the BIMP-EAGA to look outside its subregion to consider

the active participation of neighboring countries such as Australia.

"We could also explore the possibility of mounting high-level, joint promotional activities in these countries," Taib said.

Taib stressed that the role of the four governments should be more of a facilitator, particularly in the aspect of fast-tracking infrastructure projects and adopting a conducive policy mix in efforts to facilitate an increase in trade and investment within the BIMP-EAGA subregion.

In line with this thrust, the Bruneian Government has encouraged Royal Brunei Airlines to develop an extensive subregional network, offering expertise and aircraft maintenance capacity to other airlines in the area.

Taib stressed, however, that all these development efforts, particularly in the BIMP-EAGA infrastructural buildup, "will not bear fruit without the active participation of the private sector."

Thus, the Bruneian Government has shown its strong support by agreeing to provide a location for the Secretariat of the East ASEAN Business Council (EABC) in the capital city of Bandar Seri Begawan and to contribute 50 percent of the council's operating costs.

The minister also urged the senior officials and the working groups to be "more focused" in their action and implementation plans and accordingly formulate a far-reaching strategy for the development of a greater intra-BIMP-EAGA trade and investment.

Japan

Tokyo, Washington Remain Apart in Microchip Talks

OW0907124996 Tokyo KYODO in English
1220 GMT 9 Jul 96

[FBIS Transcribed Text] Tokyo, July 9 KYODO — Japanese and U.S. officials opened two days of working-level talks Tuesday but remained apart on a thorny dispute surrounding a bilateral semiconductor agreement, Japanese trade ministry sources said.

The talks in Tokyo follow an agreement struck last month between Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton to resolve the row by July 31, when the five-year-old accord expires.

The U.S. has been calling for a new bilateral microchip accord to replace the pact that effectively sets aside at least 20 percent of the Japanese market for foreign chips. Foreign market share in Japan has now topped 30 percent.

While offering to drop the 20 percent target, the U.S. reiterated that the new accord should call for preserving and continuing the progress made under the old accord, said sources at the ministry of international trade and industry (MITI).

MITI adamantly opposes the wording, saying it will in effect create another numerical target that takes 30 percent as a floor.

Faced with the opposition, the U.S. side could offer to change the wording and make other conciliatory moves, the sources said.

Washington also argues for continuing market share surveys by the two governments to monitor foreign presence in Japan, a proposal MITI rejects as akin to managed trade.

The ministry said private-sector statistics will suffice for analyzing market trends, according to the sources.

Japan, meanwhile, is proposing replacing the bilateral accord with a multilateral forum among Japan, the U.S. and the European Union to discuss cooperation on issues surrounding microchip trade.

The working-level talks are being attended by Yoshio Ichiryu, deputy director general of MITI's Machinery and Information Industry Bureau, and his counterpart at the office of the U.S. Trade Representative (USTR), Donald Phillips.

To meet the July 31 deadline, Japan and the U.S. will hold subcommittee and ministerial-level sessions on the occasion of a meeting of trade ministers of the Asia-

Pacific Economic Cooperation (APEC) forum scheduled to take place in New Zealand next Monday and Tuesday.

Yoshihiro Sakamoto, vice MITI minister for International Affairs, will meet with Ira Shapiro, senior counsel and negotiator for the USTR, on Saturday and Sunday.

MITI Minister Shumpei Tsukahara will also hold talks with Acting U.S. Trade Representative Charlene Barshefsky during the two-day APEC ministerial meeting.

Japan: U.S.-Japan Chip Industry Leaders Discuss Pact

OW0907125496 Tokyo KYODO in English
1229 GMT 9 Jul 96

[FBIS Transcribed Text] Tokyo, July 9 KYODO — A U.S. microchip industry leader said Tuesday he is informally exchanging views with leaders of the Japanese counterpart on the microchip dispute between the two countries.

William Weber, head of the U.S. Semiconductor Industry (SIA) who is visiting Tokyo to attend the 33rd annual meeting between the Japan-U.S. Business Council and the U.S.-Japan Business Council, made the remark in response to questions from reporters.

Concerning a new semiconductor accord to replace the five-year-old accord which expires at the end of July, Weber said the new accord does not need any numerical target for monitoring foreign microchip share in Japan.

Weber, also vice chairman of Texas Instruments Inc., said he regards the new accord as allowing for sound cooperation between the industries.

Meanwhile, Norman Neureiter, vice president of Texas Instruments Asia, who is accompanying Weber, said that Japanese and U.S. industries are likely to hold talks on the issue around the end of this month.

Japan: 'Little Progress' Made in Chip Talks With U.S.

OW1007124696 Tokyo KYODO in English
1232 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — Japan and the United States remained apart in their bilateral semiconductor standoff as they concluded two days of working-level talks in Tokyo on Wednesday.

The two sides made little progress in substance, though they deepened understanding of each other's position, a senior Ministry of International Trade and Industry (MITI) official said.

They will now seek to resolve the dispute at high-level talks in the wings of the meeting of Asia-Pacific Economic Cooperation (APEC) forum trade ministers slated for next Monday and Tuesday in New Zealand.

At the heart of the dispute is the role of government in a new cooperative framework for semiconductor trade that replaces the current bilateral microchip agreement, which expires July 31.

Japan has been proposing a multilateral government forum involving Japan, the U.S., the European Union (EU) and possibly other nations to discuss tariffs and other issues surrounding chip trade.

While the U.S. did not object to the proposal, it reiterated the need for Japan and the U.S. to continue surveying and monitoring foreign market share in Japan, another MITI official said.

"There are needs for a meaningful government role in terms of being involved in assessment of progress and market reviewing activities by industry," a U.S. Government official said.

Japan repeated its rejection of market share monitoring, saying it would lead to managed trade, the MITI official said.

It instead argued for limiting the government role to elimination of tariffs and other restrictions under the proposed forum.

Officials attending the talks included Yoshio Ichiryu, deputy director general of MITI's Machinery and Information Industries Bureau, and Assistant U.S. Trade Representative Donald Phillips.

Both sides stuck to their basic positions without making new proposals, the MITI official said.

The U.S. urged a transitional bilateral accord to preserve and continue progress made under the old pact, which effectively reserves at least 20 percent of the Japanese market for foreign chips.

Foreign market share in Japan now stands above 30 percent.

"The Japanese proposal (of the global government forum) focuses on new areas of discussion, which doesn't really deal with the concerns we have," the U.S. official said.

Japan continued to reject the U.S. call because it works to create another numerical target by setting a floor at 30 percent, the MITI official said.

The U.S. official brushed aside Tokyo's interpretation as a "mischaracterization," saying Washington is not looking for any guarantee of a market share floor.

"We think a lot of progress has been made under the current agreement," the official said. "We want to put something in place that will work to continue the progress."

Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton agreed to settle the issue by July 31 when they met in Lyon, France, just before the summit of the Group of Seven economic powers.

In a bid to meet the deadline, MITI Minister Shumpei Tsukahara will hold talks with Acting U.S. Trade Representative Charlene Barshefsky during the APEC ministerial meeting in New Zealand.

Yoshihiro Sakamoto, MITI's vice minister for international affairs, is also expected to meet with Ira Shapiro, senior counsel and negotiator at the U.S. Trade Representative's Office.

Japan: U.S.-Japan Business Council Urges Improved Trade Balance

*OW1007051896 Tokyo KYODO in English
0434 GMT 10 Jul 96*

[FBIS Transcribed Text] Tokyo, July 10 KYODO — Japanese and U.S. business leaders ended three days of discussions in Tokyo shortly after noon on Wednesday, with the adoption of a joint statement which calls for further efforts to rectify a bilateral trade imbalance heavily in Japan's favor.

Winding up the 33rd Japan-U.S. business conference, Yotaro Kobayashi, chairman of the Japan-U.S. Business Council, and Donald Fites, chairman of the U.S.-Japan Business Council, are to hold a joint press conference at the Imperial Hotel in downtown Tokyo from 1:30 P.M.

The joint statement also said trade issues should be resolved on the private level before they become politicized.

While giving high marks to steady improvement in the Japan-U.S. trade imbalance over the past 15 months, the joint statement said it is necessary for both sides to continue efforts to maintain the downward trend in Japan's trade surplus with the United States.

The improved trade balance has been brought about largely by structural changes in Japan's economy and changes in foreign exchange rates, the statement noted.

In foreign exchange dealings, the dollar is hovering around the 110 yen line, a substantial rise of around 38 percent from its record low of 79.75 yen hit in April 1995.

Some U.S. participants expressed concern that the recent weakening of the yen against the U.S. dollar, if left

unattended, would pose a threat to economic relations between the two countries, it said.

For fiscal 1995 which ended March 31, Japan's politically sensitive trade surplus with the U.S. fell 27.1 percent from the previous year to 40.58 billion dollars, posting its first decline in five years, according to official figures given by the finance ministry.

The latest gathering brought together about 100 business leaders from Japan and the U.S., with discussions focused on Asian markets and business practices in the two countries.

The next session is scheduled to take place in the U.S. in July 1997.

Japan: Perry Said Considering Kadena for Heliport Relocation

OW1007033696 Tokyo KYODO in English
0223 GMT 10 Jul 96

[By Kobei Murayama]

[FBIS Transcribed Text] Washington, July 9 KYODO - U.S. Defense Secretary William Perry signaled willingness Tuesday [9 July] to consider the possibility of relocating a heliport in the Marines [MCAS] Futenma airfield in Okinawa Prefecture to the Kadena Air Base, Japanese lawmakers said.

Perry told the delegation of lawmakers that the Pentagon would "review all available options," in the planned relocation of the base as part of a Japan-U.S. agreement on military facilities in Okinawa.

He was responding to a request by delegation leader Matsusho Miyasato to "take seriously into account that Kadena Air Base is the only place," Miyasato told reporters after the delegation met Perry and other senior U.S. defense officials.

Miyasato, a House of Representatives member from Okinawa, said Perry's remarks gave him an "impression that the U.S. would positively consider" moving the heliport to Kadena, north of Futenma in the southernmost island prefecture.

At a separate meeting with the delegation, Walter Slocombe, undersecretary of defense for policy, raised space and operational problems in integrating the Futenma heliport into the Kadena Air Base, Miyasato said.

But Slocombe noted that the United States prefers not to build additional facilities, Miyasato said.

The nonpartisan delegation of six lower house members is visiting Washington until Thursday to discuss issues

concerned with consolidating and reducing U.S. bases in Okinawa.

Failure to agree on the heliport relocation could hamper the return to Japan of the Futenma air station in five to seven years as planned.

The return of the Futenma site is the centerpiece of an agreement reached by Tokyo and Washington in April to reduce the land occupied by U.S. military facilities in Okinawa by about 20 percent.

A U.S. defense official recently said the Japanese-proposed relocation to Kadena Air Base is just impossible, and the U.S. is willing to consider other options.

Japanese Government sources said the U.S. has proposed three other U.S. facilities in Okinawa — a Kadena ammunition storage area, Camp Hansen and Camp Schwab — as possible sites for the heliport.

But U.S. and Japanese officials said the two nations have dropped the Kadena storage area from the list of their options due to strong opposition in Okinawa.

Miyasato said relocation to Camp Hansen or Camp Schwab would invite strong local resistance because it would involve the construction of new facilities.

In the case of Kadena Air Base, however, an agreement between Tokyo and the Okinawa prefectural government is possible, he said.

Japan: Ota Letter Rejects Hashimoto Request on U.S. Base

OW1007060796 Tokyo KYODO in English
0447 GMT 10 Jul 96

[FBIS Transcribed Text] Naha, Japan, July 10 KYODO — Okinawa Gov. Masahide Ota sent a letter Wednesday refusing a request by Prime Minister Ryutaro Hashimoto that he take legal steps required for the continued use of privately owned land within a U.S. Navy communications facility.

Ota has been asked to make public a paper detailing a government request for the expropriation of a land plot within the Sobe communications facility in the village of Yomitan on the southwestern island prefecture.

Ota said in a statement issued in Tokyo he could not comply with the request before a final ruling by the Supreme Court over his appeal against a lower court decision ordering him to sign documents needed for continued rental of land owned by Okinawa residents for use by the U.S. military.

He also noted that the content of an interim report by a Japan-U.S. governmental panel on how to reduce

U.S. bases in Okinawa is not satisfactory to people in Okinawa.

Ota is in Tokyo for a Supreme Court hearing over the appeal.

If Ota again refuses the request, the central government can "order" the governor to publicize the paper as a next step in procedures to force the continued lease of the land owned by Okinawa shop owner Shoichi Chibana.

If Ota still refuses to act as a proxy on the lease of the 236-square-meter plot, the government can file a lawsuit ordering him to take the measure.

The course of events would follow the pattern set last year when then Prime Minister Tomiichi Murayama asked Ota to sign a document for the land in question.

Ota refused at that time to do so and did not comply with a following court order. He appealed the order to the Supreme Court.

The first court hearing on the appeal is to be held Wednesday.

On Tuesday, Hashimoto formally asked Ota to cooperate in renewing leases on land plots inside 11 U.S. military facilities in Okinawa and make public a government request as required by law for the expropriation of the land plots by July 19.

The forced leases on land totaling some 129,000 square meters, owned by some 3,000 local residents who oppose the forced contracts, will expire next May.

If Ota refuses to accept the request, as is widely expected, Hashimoto can file a suit with the Naha branch of the Pukuoka High Court against the prefectural government to force the governor to comply.

Japan: Ota Defends Antibase Stand at Supreme Court

OW1007081696 Tokyo KYODO in English
0751 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — Okinawa Gov. Masahide Ota on Wednesday defended his refusal to cooperate with the central government over the forced lease of Okinawan land to the U.S. military, telling the nation's top court he had no option in the face of widespread antimilitary sentiment.

"I could not help making that choice," Ota told the Supreme Court in Tokyo in the hearing on his appeal against a lower court decision that ordered him to sign documents needed for the continued leasing of privately owned land plots located within U.S. military facilities.

He said he refused to sign because as the prefecture's top administrator he had to protect the interests of Okinawa residents.

"I beg the court to hand down a decision that will open up a new future for Okinawa and will enable our youngsters to have dreams and hopes," the governor said in his testimony before the 15 judges of the court's grand bench.

The court battle erupted over a small plot of land inside the U.S. Navy's Sobe communications facility in the village of Yomitan, whose owner, grocer Shoichi Chibana, wants to have his land back.

The forced lease for the land expired at the end of March, and the central government wants to renew the contract to secure use of the land for the U.S. military, but Ota refused to publicize a government paper needed to continue the forced lease.

In March, the Naha Branch of the Pukuoka High Court ruled in favor of the government ordering Ota to sign, but he stood firm and appealed against the lower court ruling.

Japan: Governor Ota Urges Court To Rule Against U.S. Bases

OW1007114796 Tokyo KYODO in English
1134 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — Okinawa Gov. Masahide Ota on Wednesday urged the nation's top court to support his refusal to cooperate with the central government in extending forced leases of Okinawa land to the U.S. military.

"I expect the Supreme Court as the guardian of the Constitution to rule positively on the Okinawa bases issue," Ota told the 15 judges of the court's grand bench.

He was testifying in the hearing on his appeal against a lower court decision that ordered him to sign documents needed to continue leases of privately owned land plots located within U.S. military facilities.

Ota defended his refusal to sign, telling the court he had no option in the face of widespread discontent in Japan's southernmost prefecture over the massive U.S. military presence there.

"I could not help making that choice," he said, arguing that as the prefecture's top administrator he had to protect the interests of Okinawa residents.

He also noted that the content of an interim report by a Japan-U.S. governmental panel on the reduction of U.S. bases in Okinawa including the return of the

U.S. Futenma airfield is not satisfactory to people in Okinawa.

"I beg the court to hand down a decision that will open up a new future for Okinawa and will enable our youngsters to have dreams and hopes," the governor said.

About 75 percent of all land used by the U.S. military in Japan is concentrated in Okinawa Prefecture, although the island prefecture makes up only 0.6 percent of Japan's total land area.

The prefecture has hammered out a three-stage action plan for the complete withdrawal of U.S. troops before 2015.

The court battle erupted over a small plot of land inside the U.S. Navy's Sobe Communications facility in the village of Yomitan, whose owner, grocer Shoichi Chibana, wants to have his land back.

The forced lease for the land expired at the end of March, and the central government wants to renew the contract to secure use of the land for the U.S. military, but Ota refused to publicize a government paper needed to continue the forced lease.

In March, the Naha Branch of the Fukuoka High Court ruled in favor of the government ordering Ota to sign, but he stood firm and appealed against the lower court ruling in April.

The government has asked the Supreme Court to throw out Ota's appeal, arguing that the state's obligation to provide the U.S. troops with land for military facilities must be put above private citizens' rights to their land.

It also disputes the prefecture's claim that Okinawa is unfairly treated by having to host more troops than any other prefecture across Japan, saying that the Constitution does not guarantee equality for public entities like a prefecture.

At a news conference after the hearing, Ota said the main point of his plea was to relay the hardships the U.S. military presence causes the Okinawan people and to show that the issue is not a regional problem but a national concern.

"The matters pertaining to a resolution of the Okinawa bases issue are linked to the future of the people of all of Japan," he said. He called the hearing "a rare opportunity" to campaign for understanding for the feelings of the people in Okinawa.

On Tuesday, Prime Minister Ryutaro Hashimoto formally asked Ota to cooperate in renewing leases on land plots inside 11 U.S. military facilities in Okinawa Prefecture which will expire next May.

Ota reiterated he will not make a decision on whether to comply with that request as long as his appeal is pending in court.

Japan: LDP, SDP Policymakers Discuss Okinawa Base Problem

*OW1007033496 Tokyo FNN Television Network
in Japanese 2230 GMT 6 Jul 96*

[Interview with Taku Yamasaki, Liberal Democratic Party Policy Research Council chairman, and Shigeru Ito, Social Democratic Party Policy Board chairman by moderator Yuji Kuroiwa and political commentator Kenichi Takemura; from the "News 2001" program]

[FBIS Summary] Taku Yamasaki first stresses the Liberal Democratic Party's (LDP) desire to smoothly resolve the Okinawa problem to ensure the use of the land for the U.S. forces in view of the Japan-U.S. security treaty. He then asks for cooperation from the Social Democratic Party (SDP) to persuade Okinawa Governor Masahide Ota to do this. In reply, Shigeru Ito notes the need to take the Okinawans' feelings into consideration and to make efforts to obtain their understanding. Yamasaki replies that, although he does understand the feelings of the Okinawans, it is important to have the U.S. bases on the island to ensure peace in the Asian-Pacific region through Japan-U.S. cooperation.

Asked about his view on the land dispute in Okinawa, Ito says: "Regarding the Okinawa issue, do we have to give priority to keeping the bases and the obligations of the Japan-U.S. security treaty or do we have to think of a plan for the future that would gain the consent of the one-million Okinawans? Which is more important? I think that the issue is not which comes first or second but how to make the utmost effort to balance these two to obtain understanding. I think it is a great responsibility for the ruling parties."

Although acknowledging the rights of antimilitary Okinawan landowners, Yamasaki says the enactment of special legislation is inevitable when weighing the importance of an antimilitary campaign promoted by a small number of landowners and the Japan-U.S. security treaty. However, he adds: "What concerns Mr. Ito is how to deal with the feelings and views of many Okinawan residents who live around the bases. This is of course our shared task. Therefore, as I have repeatedly mentioned before, we must do our best to eliminate the negative impact of hosting the bases by launching a drastic business promotion plan for Okinawa."

When Takemura notes regional instability in Northeast Asia, such as in the DPRK, Ito says that what Japan

should do first is make efforts to stabilize the international community but not be preoccupied with emergencies on the Korean peninsula.

Asked about the possibility of lease contract expiration, which could cause a bad situation for the government, Yamasaki reiterates the LDP's intention to firmly maintain the security treaty. To stress its importance for Asia, he cites Indonesian President Suharto's remarks that hailed the significance of the Japan-U.S. joint defense declaration for peace in Asia.

Yamasaki again asks for the SDP's cooperation in connection with the enactment of special legislation in case the government fails to obtain Governor Ota's support. However, Ito voices his objection to this law, which enforces the expropriation of land, and urges the government to take notice of Okinawa's own vision policy released last January.

The discussion shifts to the impact of the Okinawa problem on the tripartite coalition. Ito says that, as for the SDP, it cannot prioritize between the maintenance of the coalition and the solution of the Okinawa problem. When Kuroiwa asks about the possibility of dissolving the lower house at the beginning of the next extra Diet session, Yamasaki makes no clear-cut comment, saying that the issue is up to the prime minister.

Japan: Ozawa Approves of Enacting Law To Solve Okinawa Issue

OW0907140096 Tokyo YOMIURI SHIMBUN
in Japanese 9 Jul 96 Morning Edition p 2

[FBIS Translated Text] During a news conference in Koriyama City, Fukushima Prefecture on 8 July, New Frontier Party head Ichiro Ozawa touched on the issue of enacting special legislation to accelerate procedures for the forced use of land for the U.S. forces on Okinawa. He said: "Issues concerning U.S. bases on Okinawa and rental of land for the U.S. military and troubles with landowners should not be left unresolved. Proper measures should be taken to solve them." Ozawa has so far criticized the idea of enacting special legislation as "temporarily expedient." However, his remark at the news conference indicates that he would not oppose the enactment of legislation itself.

Concerning the proposed increase of a consumption tax rate to five percent beginning in April of next year, Ozawa reiterated his opposition to the plan.

Japan: MPT Seen as Taking 'Weak-Kneed' Attitude in Aviation Talks

OW1007095996 Tokyo MAINICHI SHIMBUN
in Japanese 9 Jul 96 Morning Edition p 9

[By Yasuma Ota]

[FBIS Translated Text] Japan and the United States entered in the second round of the sanction battle over ruptured the bilateral aviation talks in this week. In the first round, both countries engaged in a "limited sanction battle" (termed by the Ministry of Posts and Telecommunications [MPT]) to avoid a direct impact of the dispute on the airline operation. Contrary to its ostensibly hardline attitude, weak-kneed opinions have begun to be observed in some quarters of the Transport Ministry. In this context, the key to the future development of this bilateral dispute is the U.S. aviation authorities' decision on whether to approve Japan Airlines' Hiroshima-Honolulu charter flight, which is scheduled to begin 11 July.

"If the Hiroshima-Honolulu charter flight is not granted in the end and U.S. sanctions begin to impact on us, we will take an appropriate counteraction." Assuming such stance at this moment, the Transport Ministry now considers rejecting United Airlines' request for extension of increased Narita-Los Angeles services (seven weekly flights), which will expire on 15 July. On the other hand, pointing out a tough situation that may afflict the ministry, some people questioned whether the ministry can obtain public support if its decision brings about negative impact on passenger airline services," (stated by a senior official of the aviation authorities). Such concerns stem from the fact that 60 percent of those who board these flights are Japanese.

"The best way to solve the dispute, without impacting on airline business, is to scrap the bilateral accord." (stated by an aviation industry source). This is the shared opinion of the Transport Ministry officials. If the two countries go by international rules, they say, damage on airline business would be minimized because there will be no sanctions until a new bilateral accord is concluded. Furthermore, it is a customary practice to maintain the status quo in case a new accord fails to be reached within one year.

The scrapping of the current bilateral accord would bring Japan the advantage because the United States will lose its grounds for claiming unlimited beyond rights as its "vested interest." However, a prevailing view in the aviation industry is that "it is questionable whether Prime Minister Ryutaro Hashimoto, who places the highest priority over the Japan-U.S. relations, would accept it." Given the fact that the leaders of Japan and

the United States confirmed the importance of "stability" at the recent summit held along with the G-7 meeting, the industry worries "what will happen if the aviation talks are complicated with the security issue." As such, the Transport Ministry has no choice but to grope for a point of compromise in its future talks with the United States.

Japan: Mexico Reiterates Opposition to U.S. Cuba Policy

OW1007082596 Tokyo KYODO in English
0806 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — Mexican Foreign Minister Jose Angel Gurría on Wednesday reiterated his country's opposition to U.S. legislation punishing foreign investors in Cuba.

"Mexico has consistently expressed its refusal and opposition to the U.S. Helms-Burton Act," Gurría told a news conference at the Japan National Press Club.

"We have traditionally taken a stance that no economic sanctions will contribute to solving any problems," he said. "The Cuba issue should also be resolved through dialogue and negotiations."

Gurría, who arrived in Japan on Sunday for a four-day official visit, was referring to the controversial law that allows the United States to take action against foreign companies that do business with Cuba.

The U.S. law was passed after Cuba shot down two U.S. civilian aircraft in February, killing four people. Cuba claimed the aircraft had intruded into its airspace. The U.S. says the planes, operated by Cuban exiles in Miami, were flying over international waters.

Gurría, who has been Mexico's foreign minister since December 1994, also said Mexico cannot accept the U.S. idea of enforcing the law, adding the legislation violates international law.

Turning to other issues, he said the North American Free Trade Agreement (NAFTA) helped Mexico secure more employment for its people and increase its trade volume with other countries.

NAFTA, which is to remove all tariffs between Canada, Mexico and the U.S. over 15 years, became effective in January 1994.

Gurría also said Mexican President Ernesto Zedillo will visit Japan in early March next year, the centenary of Japanese emigration to Mexico.

During his stay in Japan, the Mexican foreign minister conferred separately with Prime Minister Ryutaro Hashimoto and Foreign Minister Yukihiko Ikeda on issues of mutual concern.

Japan: Auto Tariffs Talks With Brazil at WTO Scheduled

OW1007011096 Tokyo KYODO in English
0031 GMT 10 Jul 96

[FBIS Transcribed Text] Rio De Janeiro, Brazil, July 9 KYODO — Officials of Brazil's Ministry of Industry and Trade will meet with Japanese officials at the World Trade Organization headquarters in Geneva on July 22-26 to discuss Brazil's new policy on car imports, the ministry announced Tuesday.

The talks will also include South Korea and the European Union, which back Japan's complaint that Brazil's introduction of higher tariffs on auto imports constitutes a restrictive and unfair trade practice.

Brazil does not intend to back down on the policy, business daily GAZETA MERCANTIL quoted Industry and Trade Minister Francisco Dornelles as telling local trading companies executives.

On March 1, 1995, Brazil raised tariffs on car imports to 70 percent from 20 percent. Imports dropped 63 percent in the first four months of the year.

According to the daily, Brazil does not fear a Japanese complaint before the WTO, although it has recently withdrawn a waiver bill from the organization fearing it would be rejected by member countries.

The industry and trade minister recently announced that Japanese cars account for 31 percent of the 285,000 vehicles Brazil imported over the last five years.

Brazil is planning to present these statistics in the bilateral talks, according to ministry sources.

Brazil and Japan recently held talks on the issue at the Brazilian capital city of Brasilia but the two countries failed to reach an agreement.

Tokyo Begins Studying Hashimoto's Global Welfare Scheme

OW0907133496 Tokyo KYODO in English
1050 GMT 9 Jul 96

[FBIS Transcribed Text] Tokyo, July 9 KYODO — Government officials began working out measures Tuesday to flesh out Prime Minister Ryutaro Hashimoto's initiative to promote global cooperation for the improvement of welfare in both developed and developing countries.

All government ministries and agencies agreed to cooperate on the initiative, an official from the Cabinet Secretariat said.

Session participants shared the view that Japan should make a pitch for the idea at various meetings such as those of the Organization for Economic Cooperation and Development (OECD) and the United Nations.

The officials will hold a second meeting a month later to expedite the initiative so that an allocation can be included in the fiscal 1997 budget which is to be compiled soon, the official said.

Hashimoto broached the global welfare subject at the June 27-29 annual summit of the Group of Seven (G-7) industrialized nations in Lyon, France.

Japan plans to draw up concrete project plans for implementation of the initiative so that they can be submitted to next summer's G-7 summit in Denver, Colorado.

Attending Tuesday's session were senior officials from cabinet offices on domestic and foreign affairs, the Economic Planning Agency, the Ministries of Foreign, Finance, Health and Welfare, and Labor.

Japan: Hashimoto Recalls 1945, Rules Out Russia Trip 9 Aug

OW1007092096 Tokyo KYODO in English
0837 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — Prime Minister Ryutaro Hashimoto on Wednesday ruled out going to Moscow on Aug. 9 if reelected Russian President Boris Yeltsin's inauguration ceremony falls on that day as former Soviet troops broke a bilateral nonaggression pact on that day 51 years ago.

"Can you imagine my going there on the anniversary of their breaking the Japan-Soviet nonaggression treaty and carrying out the attack (on Japan)?" Hashimoto said to reporters at his official residence.

He went on, "don't you care? I care. Can I go there for a celebration with nothing on my mind?"

The prime minister then added he does not know whether Yeltsin's celebration will be held that day or if he will even be invited.

Shortly later, Chief Cabinet Secretary Seiroku Kajiyama, said in a press conference, "on Aug. 9 (1945), I was serving in the military in the former Manchuria or northeastern China. I remember the Soviet military unlawfully entered the war (with Japan) and brought tragedy on Japanese residents there."

On Tuesday, Hashimoto said he may attend the inauguration ceremony next month for Yeltsin if his schedule allows.

The prime minister said he will attend the Aug. 6 ceremony in Hiroshima to mark the 51st anniversary of the U.S. nuclear attack on the city because the day is unlikely to conflict with Yeltsin's inauguration.

Hashimoto also said he hopes the inauguration ceremony will not fall on the Aug. 9 anniversary of the atomic bombing of Nagasaki, which he said he also would like to attend.

Kajiyama said at a Tuesday press conference that it has not been officially set but Hashimoto wants to join Yeltsin's celebration if it does not conflict with the Aug. 6 and 9 atomic bombing anniversaries or the Aug. 15 ceremony in Tokyo to mark Japan's 1945 surrender in World War II.

Hashimoto may skip the Aug. 9 Nagasaki ceremony, he added, noting that previous prime ministers have usually attended either one of the two anniversary events.

Yeltsin was reelected in last Wednesday's presidential runoff, beating Communist Party leader Gennadiy Zyuganov.

Japan: Foreign Ministry Spokesman on APEC Trade Meeting

OW0907132596 Tokyo KYODO in English
1147 GMT 9 Jul 96

[FBIS Transcribed Text] Tokyo, July 9 KYODO — Japan sees a trade ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum in New Zealand next week as a key opportunity to promote global trade and investment liberalization, a Foreign Ministry spokesman said Tuesday.

Spokesman Hiroshi Hashimoto told a news conference that International Trade and Industry Minister Shumpei Tsukahara will represent Japan along with Kazuo Ogura, deputy foreign minister for economic affairs, at the two-day meeting in Christchurch beginning next Monday.

Noting one objective of the trade ministers' talks is preparation for the first ministerial meeting of the World Trade Organization (WTO) in Singapore in December, he said, "this will serve as a good opportunity to demonstrate our determination to tackle new challenges."

The trade ministers' session will focus on the 18-member APEC's approaches to international investment rules to be formulated by the Geneva-based WTO.

But it remains to be seen whether an accord can be reached on new investment rules due to a row between advanced and developing members of the forum.

The spokesman also said another objective of the Christchurch meeting is to discuss the plans of each

APEC member economy for removing or lowering barriers to trade and investment.

The so-called action programs, which will incorporate liberalization measures in concrete terms in 15 fields, will be submitted to the APEC ministerial meeting in Manila in November.

APEC has agreed to liberalize trade and investment by 2010 for developed members and 2020 for others.

Japan: NIDS Hosts Conference for SE Asian Military Personnel

OW0907151596 Tokyo ASAGUMO in Japanese
20 Jun 96 p 2

[Unattributed article]

[FBIS Translated Text] The National Institute of Defense Studies (NIDS) held its 1996 conference on "Exchange of Defense Studies with Southeast Asian Nations" from 26 May to 5 June at the Institute. NIDS, located in Meguro, Tokyo, conducts multilateral exchanges on defense-related issues. The director of NIDS is Taisuo Kusatsu.

This exchange program aims to promote mutual understanding by inviting experts from Southeast Asian countries for seminars on defense policy and related issues as well as to exercises with Self-Defense Forces (SDF) units. The program also tries to strengthen relations and build trust with the various countries through human interaction. This was the program's eighth conference.

The program was attended by field grade officers and civilian equivalents who serve in the national defense organizations of the six ASEAN countries (Indonesia, Singapore, Thailand, Philippines, Brunei, and Malaysia). They held discussions on the main theme of "Changing Balance of Forces in the Asia-Pacific Region" and toured SDF facilities.

In his remarks at the opening meeting of the conference Director Kusatsu said, "As one of the programs sponsored by NIDS, this research exchange is comparatively historic. From the standpoint of giving you an understanding of the present state of the SDF, we hope that this conference will enable you to participate in exercises with the Defense Agency, the fleet headquarters, and the 7th Division and 2nd Air Wing in Hokkaido. We hope that you will have thorough-going discussions and exchanges of views with NIDS researchers and experts on security issues."

On 3-4 June, the conference spent two days on the sub-themes of (1) change in the balance of forces in the Asia-Pacific region, (2) the effect of U.S.-China relations on regional security, (3) ASEAN's role in

regional security, and (4) Japan's role in regional security.

The schedule for exercises at SDF facilities was:

27 May: orientation and briefings from the Internal Bureau and service staff offices

28 May: National Defense Academy and fleet headquarters

29 May: 2nd Air Wing in Hokkaido

30 May: Noboribetsu and Showa Shinsan for historical tours

1 June: Tokyo

Japan: Sakigake's Takemura in Beijing Urges End to PRC Nuclear Tests

OW0907160796 Tokyo KYODO in English
1524 GMT 9 Jul 96

[FBIS Transcribed Text] Beijing, July 9 KYODO — Japanese ruling coalition leader Masayoshi Takemura, known as an outspoken antinuclear campaigner, urged China on Tuesday not to conduct any further nuclear tests, but failed to gain any positive response.

Takemura, head of New Party Sakigake, the smallest of the tripartite governing alliance, made the request in a meeting with Li Shuzheng, head of the Chinese Communist Party's international liaison department, at the Diaoyutai state guesthouse in Beijing, his aides said.

But Li said she "cannot accept the protest, but can understand national sentiment in Japan, the only country to have sustained nuclear attacks."

Takemura has been outspoken about China's nuclear testing and cautious about extending economic aid to China after it conducted a series of nuclear tests.

Li expressed displeasure at the idea of the suspension of official yen loans, commenting that pressuring China might damage economic and trade ties between the two countries, the officials said.

Takemura and six other Sakigake lawmakers will meet with Chinese party leader and President Jiang Zemin and other leaders Wednesday [10 July].

Before leaving for China, Takemura, a former finance minister, said his mission would seek an explanation of China's continued nuclear testing and stress the need for an early conclusion of the proposed comprehensive nuclear test ban treaty.

China is the only nuclear power to continue nuclear testing as test ban treaty negotiations enter their final stage.

But Beijing has said it will conduct only one further test in September and then join a test moratorium observed by the other nuclear powers Britain, France, Russia and the United States, and sign the test ban treaty.

Takemura was also among antinuclear activists who traveled to the South Pacific last summer to protest against French nuclear tests there.

Japan: DPRK Watchers Vary in Crisis Assessment
OW1007111096 Tokyo SHUKAN DAIYAMONDO
in Japanese 29 Jun 96 pp102-104

[Article by SHUKAN DAIYAMONDO'S Toshihiko Egusa, with Tatsuko Mitsuya in Paris and Rebecca Foreman in Stockholm: "Is the North Korean Crisis a Sign of its Opening Door? — Many Countries Desire 'Maintenance of Status Quo'"]

[FBIS Translated Text] Underlying Japanese reports predicting the "collapse of North Korea" is the understanding that the post of the chief of state is still vacant and the Supreme Peoples Assembly (National Diet) is not convened since the demise of Kim Il-song in July 1994. Also, its political situation in general terms does not conform to the form of a state nation, and a "starvation" is approaching due to the poor harvests by cold weather in 1993 and by large-scale floods in 1995 further aggravating food shortages that had gone on for nearly 30 years.

In addition, behind the radical theory of North Korean disintegration, which is getting popular among some analysts, are fear of and antipathy toward North Korea fermented by unpleasant information fragmentarily brought about that country on such matters as "compulsory detention camps," "bombing terrors," "counterfeit U.S. currency," and "narcotics." Of course, it cannot be denied that "sharp and poignant" remarks of some analysts with terrible North Korean experiences had exerted no small efforts to effect such analyses.

Therefore, to acquire information that is as objective as possible, SHUKAN DAIYAMONDO contacted those concerned in many countries for the realities of life and their analysis of North Korea.

North Korean Reality Heavily Undercover, Even in Pyongyang

As Bill Emot (as published), chief editor of the London *ECONOMIST*, said, the present situation is such that "there is no bureau in Pyongyang and it is difficult to obtain correct first-hand information." Even in the case of Journalist A (who wanted his name withheld), who accompanied a delegation of legislators on an official visit of Pyongyang from a former socialist nation, it seems to have been difficult to grasp the situation in

detail. It was because that he "was treated with gorgeous food, and given invitation after invitation to theatrical performances, 'compelled to' live a luxurious life in confinement, and was cordially refused to approach citizens to collect information." The guard around him was so thorough that when he tried to take picture of the city life, his guide chased citizens away.

The request for an interview with Kim Chong-il was turned down on ground he "is on a military mission and is not in Pyongyang." (As SHUKAN DAIYAMONDO had reported in the 25 May issue) Deputy Premier Vitaliy Nikitich Ignatenko of Russia visited Pyongyang in April but he was refused to meet Kim Chong-il on the same ground. Thus, even state guests are thoroughly "prevented to see Kim Chong-il, isolated from information and restricted in action and movement."

But it is a rule that information leaks when an outsider is let in. Journalist A reported that "every time the legislators on our delegation met North Korean counterparts, they were forced to talk about Kim Il-song for the first 20 minutes and Kim Chong-il for the following 10 minutes." From words his interpreter unwittingly uttered, Journalist A assumed that "although Kim Il-song was seemingly venerated and worshipped by the people, it was not true with Kim Chong-il."

He realized how serious the energy shortage is in North Korea when he was told by an Embassy staff stationed in Pyongyang that "because of petroleum shortage, trucks could not be mobilized soon enough to transport food that had arrived in ports and a half of it was spoiled."

In connection with food, a legislator on a mission to North Korea said, he "could not enjoy a meal" because he "sensed the distress of the people as he had expected" when he saw "the interpreters devour the luxurious cuisine greedily." Sadao Murakami, an expert on North Korea with a 40-year experience of Japan-DPRK trade, said "North Korean people treat guests at the sacrifice of their portion of meals." So food situation there is rather serious.

But Journalist A pointed out that the recent news story that the food "situation is so grave that the authorities had to teach people how to cook wild grass and roots of trees" is a little too exaggerated, because the program was aired through TV throughout the mission's stay in North Korea. Editor Won Yong-chol of the CHOSON SHINBO said, "that is something like NHK's cooking program" and remonstrated the West on the exaggerated propaganda by saying that "the North Korean authorities guarantee the people foodstuffs in the ratio of 30 percent in rice and 70 percent in other grains."

As to the North Korean TV programs, a legislator on the mission had a bitter comment on the "astounding degree of" information manipulation that the North Korean TV programs are composed of "cooking lessons, old Walt Disney's movies, and domestic news published by the authorities such as '20 food smugglers are executed,' and 'foreign news are only limited to accidents and calamities.'"

It does not mean that no interesting information was available. One such piece of information is that "North Korea also thinks of unification." A high-ranking DPRK government official made it public that "the center of politics is Pyongyang and the center of economy is Seoul." He added, "we are considering a nation-building plan similar to that of Hong Kong, a nation with two systems."

That was about all the information related to politics the mission to Pyongyang had been able to get while it stayed there for one week. Even the legislators from a former friendly nation could not be successful in that respect. Therefore the way of covering stories was changed to hear about the "present status and points at issue" from diplomatic point of view through North Korean experts in various countries.

Has Kim Chong-il Succeeded in Grasping the Power?

The conclusion is that "Kim Chong-il seems to have gained the control of power." This is the consensus of those whom we have contacted. In fact, however, their appraisals are divided in two. Hideshi Takesada, an instructor at the National Institute for Defense Studies, believes that "A smooth takeover of the power from Kim Il-song is taking place, although he has not been officially elected in accordance with the constitution." Takesada has a 20-year-long career in the studies of problems related to the Korean Peninsula.

On the other hand, Prof. Manfred Pohl at the Hamburg University, who is Germany's top flight expert on North and South Korea, thinks he "is no more than a decoration." Seoul's Journalist Chi Tong-uk, who expounds a view that "Kim Chong-il is just like Emperor Taisho" (who reigned between Emperors Meiji and Hirohito of the Showa period), holds the same view. Aforementioned Sadao Murakami is doubtful of Kim Chong-il's abilities as a leader, by saying "he may not be skilled in systematic and logical talks and for negotiations."

But both sides have a common viewpoint, which is "the Peoples Army rules North Korea." It was in 1991 when Kim Chong-il assumed the post of the supreme commander of the military. Takesada thinks that it

was a result of "strengthening the military's power and authority in order to pave the way for a smooth turnover of power to Kim Chong-il by eliminating the influence of leading figures of the Workers Party" who had fought against the Japanese with Kim Il-song as anti-Japanese partisans. And now, "important posts of the party have been monopolized by Kim Chong-il and his associates," according to Takesada.

Chi Tong-uk points out "North Korea is under the control of a combined regime of politicians and military men from the same family." Though of the same opinion, Prof. Pohl goes a step further and make says: "The military is the only institution that can organize all sectors of North Korea. It makes a unified body by incorporating industries and is in charge of circulation in money supplies, food rationing, and so on."

But the military leadership with the upper echelon monopolized by those from the same family is not necessarily as solid as a rock. Murakami's reasoning comes from the fact that the North Korean economic structure is distorted, with assumedly a third of the national budget going for military expenses. "North Korea, which had set up an instrument of force (military) before the nation was founded, has not been able to accumulate the state-of-nation management knowhow."

As you can see in the ROK, an internecine feud in the same family can occur at any time. North Korea, where the same race lives, cannot be an exception. As Prof. Pohl points out, it can be said that the Peoples Army that does not have a leader as outstanding as Kim Il-song is at all times on the verge of crises of internal division.

Kim Il-song's "juche ideology," a supporting pillar of North Korea that Mikhail Gorbachev commented as being a "socialist monarchy," as seen by the United Nations officials "has actually disintegrated" by the heir apparent Kim Chong-il's abandoning the policy of revival by its own efforts and shifting to the realistic policy of seeking food assistance from foreign countries.

Truth About Food and Energy Crises in North Korea

"It is true that North Korea has a food supply difficulty, but describing it a 'crisis' is an overstatement," Takesada says. He explains that such reports have to be somewhat discounted because the present analysis of the food and energy situation in that country by international organizations is based on the North Korean notification. Furthermore, according to Takesada, "Queues of trucks loaded with grain were seen this spring heading to North Korea at Dandong, a Chinese city near the Sino-DPRK border." As to energy resources, a high-ranking

Chinese official explained that more than a million tons of petroleum are supplied through pipelines every year and that figure does not appear in the statistics.

As for the food problem, the United Nations has made public the information that "North Korea exchanged the rice it had received as assistance with other grains in China at a ratio of one portion of rice to eight portions of grain." North Korea keeps tight security on the stockpile of rice for military use.

Apart from such intransparency, it is a fact that North Korea is suffering from perennial food difficulty because of failures in its agricultural policy and damages caused by big floods last summer. It is also true that North Korea requested international community assistance. Without indulging in debate over the "hidden intention," countries providing assistance should hastily work out with the United Nations the window to deliver aid for the North Korean populace suffering from the food shortage.

Prof. Pohl points out that "North Korea's supreme policy is maintaining the present system." But the system is losing its centripetal force because the "juche ideology" has been mutilated. The last resort is to keep the ranks of soldiers loyal by offering food, which is, by and by, also becoming difficult. Thus the military is thoroughly enforcing the Stalin-style mutual watch and terror politics, by employing "merciless oppression against rebels," according to information obtained by the German Embassy in North Korea.

Knowing this, most of the countries concerned are taking care not to let the military get out of control, with officially expressed hope for the status quo. As a matter of fact, these countries are looking for ways to lead North Korea to a slow, soft-landing (open-door and reform policy.)

Expectations of Nations Concerned and What Japan Should Do

Takesada points out that North Korea is strategically such an important country for the Chinese military that "the relation between the Chinese and North Korean military is very close, despite ostensible awkwardness. China thinks that weapons could be sent if they were meant to prevent North Korea from crumbling down."

Troubled by Muslim revolts in the Xinjiang Uygur Autonomous Region and along the border in Central Asia, China might not want to get involved in another problem in the east. But analysts are varied in their opinion about the Sino-DPRK relations.

Prof. Pohl says, "the normalization of relations between China and the ROK incurred North Korean anger, and

Chinese influence over North Korea has diminished." He adds, "China cannot play any role until the post-Deng Xiaoping contest is settled. When the next leader is decided, China will play a decisive role as the leader and mediator for the settlement of the North and South Korean issue."

Russia is maneuvering for a new approach toward the North Korean military out of an apparent intention to make money on the parts supply for the former Soviet weapons, which occupy 90 percent of the North Korean armaments. Russia's diplomatic officials make public an official view that "there is no change in the North Korean system." But another Russian source "predicts a Romanian-type collapse."

ROK President Kim Yong-sam is currently engrossed in singling out his successor. Absorbed in the thought whether "the constitution is amended to make a reelection of the president possible," the North Korean problem is a secondary matter for him. That was why Senior Lecturer A. Foster Carter (as published) of Britain's Leeds University made such a critical comment that "No Tae-wu did amass slush funds but he normalized relations with China and Russia. If you really want to confront No, why do you not negotiate with Pyongyang?"

While taking the initiative in the economic assistance to North Korea, the United States has mobilized former President Gerald Ford and the mass media is widely publicizing, in both the United States and Japan, "a call for an urgent plan preparing for an imminent North Korean emergency." The United States is presumed to have some kind of plan to make a North Korean soft-landing possible while keeping in check accidentally resorting to war. Both the United States and Japan did not lodge stern protests with China against its recent nuclear test and it was an unusual development. Future movement of the United States, China, and Russia requires a careful check.

Finally, as for Japan, Prof. Pohl asserts that "Japan should not incite cries of crisis and call for weapons buildup, because they will revive in the whole of Asia an old memory and opposition to Japan's rearmament. A far more clever thing for Japan is to carry on aid negotiations, which are seemingly under way in Beijing with North Korea. Today, the biggest task for Japan and the whole world is to stop isolating North Korea."

**Japan: Burma's Antigovernment Group Head
Urges Freezing Aid**

OW1007102396 Tokyo YOMIURI SHIMBUN
in Japanese 9 Jul 96 Morning Edition p 4

[Interview with Win Khet, chairman of the National League for Democracy, Liberated Area, by foreign affairs reporter Mina Mitsui in Tokyo; date not given]

[FBIS Translated Text] Ten July will mark the first anniversary of release from house arrest of Burma's prodemocracy leader Aung San Suu Kyi. Win Khet, 60, chairman of the National League for Democracy, Liberated Area (NLD.LA), who is currently visiting Japan, recently granted an interview to YOMIURI SHIMBUN in Tokyo. The NLD.LA is an antigovernment organization in Burma.

During the interview, Khet called on Japan and other countries to freeze aid to Burma. He said: "Under the current circumstances, Suu Kyi may be arrested at any time. The State Law and Order Restoration Council (SLORC) is worried about foreign reaction to the human rights issue. Only external pressure can change the situation in Burma."

The chairman also said: "The Burmese people have been driven into a corner because of the military junta's violations of human rights, such as imposing forced labor on them. The people are just like a volcano which is about to erupt. To prevent the eruption, foreign countries should press the junta to begin talks with the NLD at an early date."

Concerning a draft constitution which the NLD has been drawing up on its own, Khet said: "A main pillar of the constitution will be democracy and human rights. The military should give up the reins of the government."

He criticized the ASEAN members' "constructive engagement" policy of promoting relations with the military junta, saying: "There are democratic forces and the military junta in Burma. However, ASEAN's aid has been extended only to the junta." Regarding Burma's expected participation in the ASEAN as an observer, the chairman said: "This will only help prop up the junta."

Japan: Amnesty Symposium Discusses Burma

OW1007150596 Tokyo KYODO in English
1442 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — A symposium sponsored here by Amnesty International on Wednesday discussed problems in Myanmar (Burma) one year after the release of pro-democracy leader Aung San Suu Kyi from six years of house arrest.

Four panelists discussed problems relating to Myanmar's ruling State Law and Order Restoration Council (SLORC) and its attitude toward Suu Kyi.

Satsuki Eda, a lower house member of the main opposition party Shinshinto (New Frontier Party) and former science and technology agency director general, said a Japanese parliamentarians' group for democracy in Myanmar is seeking to bring about a dialogue between SLORC and Suu Kyi.

But Shigeo Matsutomi, head of the Foreign Ministry's First Southeast Asia Division, said he felt the possibility of a dialogue between the junta and Suu Kyi was almost zero.

Panelists Kei Nemoto, an associate professor at Tokyo University of foreign studies, and lawyer Mizuho Fukushima both expressed their opposition to a resumption of official Japanese assistance to Myanmar.

**Tokyo To Try To Mediate Between Cambodian
Premiers**

OW0907134496 Tokyo KYODO in English
GMT 9 Jul 96

[FBIS Transcribed Text] Tokyo, July 9 KYODO — Tokyo will try to mediate between the two feuding Cambodian prime ministers during their stay in Japan in an effort to foster a stable political environment in the Indochinese country, government sources said Tuesday.

First Prime Minister Norodom Ranariddh and Second Prime Minister Hun Sen arrived in Japan on Monday and Tuesday, respectively, for a six-day visit and to attend an international conference on economic aid to war-ravaged Cambodia starting Thursday.

Ranariddh, son of Cambodian King Norodom Sihanouk, heads the royalist FUNCINPEC party, while Hun Sen heads the reform-minded Communist Cambodian People's Party.

Although sitting in the same boat as the dominant partners in the four-party ruling coalition, the political rivalry between the two premiers has intensified as the country is to hold local elections next year and general elections in 1998.

In February, the king's exiled half-brother Prince Norodom Sirivudh, a former foreign minister, was sentenced in absentia to a 10 year-prison term on charges linked to an alleged plot to assassinate Hun Sen.

A senior Foreign Ministry official said Cambodia "is now entering an important stage" in its reconstruction, making good cooperation between the two premiers imperative.

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The government will use informal discussions among the conference participants Wednesday to urge Ranariddh and Hun Sen to cooperate to smoothly steer Cambodia through this crucial period.

Prime Minister Ryutaro Hashimoto and Foreign Minister Yukihiko Ikeda will also make that point in their meetings with the two premiers.

Ranariddh and Hun Sen, eager to receive aid pledges at the conference, are expected to rally to demonstrate harmony and will most likely ask for fiscal and manpower support to organize the general elections.

Japan will study concrete measures to support the elections, which a Foreign Ministry source called a "test case for Cambodian democracy," after the conference.

The Cambodia meeting, to be co-chaired by the Japanese Government and the World Bank, will bring together delegates from 16 donor countries and five international organizations.

It will focus on mid- to long-term "intellectual assistance" to nation-building, such as the creation of a functioning legal system, rather than on basic humanitarian needs.

Japan plans to offer internships for trainees in the legal profession, finance for vocational training programs for women and some 2.5 million dollars for the clearing of landmines that are still buried in the countryside, killing and maiming thousands of Cambodians every year.

Japan: Cambodia's Two Premiers Emphasize Close Rapport

OW1007112296 Tokyo KYODO in English
1042 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — Cambodia's two leading prime ministers Wednesday emphasized their unity and vowed further joint effort to promote democratization in their country, a Japanese Foreign Ministry official said.

First Prime Minister Norodom Ranariddh and Second Prime Minister Hun Sen made their continued cooperation clear at an informal meeting here on Cambodia's political and social situations, the official said.

The gathering, chaired by Deputy Foreign Minister Shunji Yanai, was held a day before the opening of a two-day international conference on economic assistance to Cambodia, bringing together representatives of 16 countries and six international organizations.

Ranariddh, son of Cambodian King Norodom Sihanouk, heads the Royalist FUNCINPEC Party, while Hun Sen is the chief of the Cambodian People's Party.

Japan: Suitability of Expanded Bank Loans to Israel Questioned

OW0907144596 Tokyo SHUKAN DAIYAMONDO
in Japanese 6 Jul 96 p 17

[Article by Yoji Fukuyama from the "Business Inside" column: "Risk Involved for Japanese Banks Aiming at Expanding Dealings With Israel, a Perfect Client for Lending"]

[FBIS Translated Text] Israel has been a taboo for Japanese banks for many years. In consideration of Arab countries, Japanese banks have long refrained from dealing with Israel, but the situation has undergone a change, with the country coming to the surface as a new client for lending.

This was triggered by syndicated lending to the Israeli Government participated in by five Japanese banks last summer [Fuji Bank, Ltd., Sanwa Bank, Ltd., Sumitomo Bank, Ltd., Daiichi Kangyo Bank, Ltd., and the Long-Term Credit Bank of Japan Ltd.] For the purpose of syndicated lending, a local major bank, Bank Lemi [as published], U.S. Chemical Bank, and UK Barclays Bank were organized as managing underwriters, and it is reported that each of the five Japanese banks furnished \$10,000,000 for the project.

According to Ms. Garia Maol [as published], chief executive officer of Bank Lemi, following this syndicated loan, Japanese banks' loans to the Israeli Government and businesses have shown a steady increase and these banks have even suggested opening offices there. In May this year, Toyoo Gyoten, advisor to Tokyo Mitsubishi Bank, Ltd., visited Israel and had an interview with Israel's central bank governor and leaders of Israel's Finance Ministry with unremitting energy and showed them Japanese banks' enthusiasm for the project, according to some sources.

As a matter of fact, Israel's Government and people are perfect clients for lending. They have no history of default, and they will easily secure the U.S. Government's guarantee in receiving loans. Thanks to the continued economic growth these years, in the high-tech sector in particular, there is no lack of enterprises in need of loans.

Of the Japanese banks, the Sanwa and Sumitomo Banks, in particular, are enthusiastic about lending. Sanwa served as managing underwriter in a syndicated loan of \$150,000,000 to Israel's Communications Corporation. Sumitomo also served as managing underwriter, with two local banks, in a syndicated loan of \$50,000,000 to the National Electric Power Corporation.

However, what worries Japanese banks is the future peace in the Middle East. In the prime minister and

general elections in May, Prime Minister Shimon Peres, who had pursued peace, was defeated. In his stead, hard-line Likud leader Benjamin Netanyahu became the new prime minister. As expected, confrontation with Arabs has revived. A Japanese bank leader disclosed his true feelings by saying, "If this triggers an Arab boycott, we will be put in an awkward situation." Israel may be too burdensome a market for Japanese banks, which are poor at risk management.

Japan: Hashimoto Says Dissatisfaction With Tax Hike 'Natural'

OW1007095796 Tokyo KYODO in English
0919 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — Prime Minister Ryutaro Hashimoto said Wednesday it is natural there is public dissatisfaction with his government's explanations on why it has decided to hike the consumption tax to 5 percent next April from 3 percent at present.

The premier told reporters that he and his government must thoroughly explain the tax hike to the public.

The ASAHI SHIMBUN newspaper reported Wednesday that 91 percent of people surveyed feel the government's explanations for implementing the tax hike are insufficient compared with only 5 percent who say the government has briefed the public.

The poll shows that 76 percent of the respondents disapprove of the tax hike, due mainly to the government's lack of explanation.

Japan: EPA Head Tanaka Seeks Structural Reform of Economy

OW0907140196 Tokyo KYODO in English
1213 GMT 9 Jul 96

[FBIS Transcribed Text] Karuizawa, Japan, July 9 KYODO — Economic Planning Agency (EPA) Director General Shusei Tanaka said in a lecture at a management seminar Tuesday that structural reforms are indispensable to prop up the domestic economy.

Tanaka said the domestic economy is still far from fully recovering because it is driven by public works projects and housing construction rather than individual consumption and corporate capital investment, which need to play the main role.

He stressed the need for structural reforms to put the economy on the recovery path.

Tanaka said deregulation of the portable telephone and wooden housing construction markets produced impressive economic effects.

The four-day seminar began in Karuizawa, a resort town in Nagano Prefecture, Tuesday under the auspices of the Japan productivity center for socio-economic development.

Earlier in the day, in Tokyo, Tanaka urged the government to promote deregulation in five key economic areas, including the information and telecommunications market, government officials said.

The officials said Tanaka made the appeal in a personal proposal submitted to a ministerial meeting.

Tanaka stressed the need for Japan to carry out sweeping structural reform of the domestic economy, saying the time has come for the government to make a political decision to promote the process, the officials said.

The proposal singles out the five economic areas requiring deregulation as information-telecommunication, finance, labor, real estate and distribution, they said.

It contends that Japan lags far behind the United States in developing the advanced information and telecommunications market, making it urgent for the government to remove regulations, the officials said.

The proposal also says government protection of financial institutions has weakened their international competitiveness, stagnating the nation's financial market.

It calls for relaxation of regulations on property transactions and housing construction and structural reforms and deregulation in distribution and labor markets, the officials said.

Japan: Kubo Says Both Recovery, Fiscal Reconstruction Needed

OW1007114596 Tokyo KYODO in English
1108 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — Finance Minister Wataru Kubo on Wednesday cited the need to rebuild deficit-ridden state coffers while taking steps to ensure the economy's smooth shift to a full-fledged recovery.

"It is the responsibility (of the government) to take steps to stimulate the economy and reconstruct the state finances," Kubo told a news conference.

Views are mixed in the ruling coalition government and the business community over which step should be given priority.

Kubo avoided directly commenting on whether it is necessary to compile a supplementary budget for fiscal 1996 as a way to ensure economic recovery.

The economy, backed by last fall's 14 trillion yen stimulus package, is moving moderately on a path to a self-sustainable recovery, Kubo said.

Japan: Panel Suggests Numerical Targets To Cut Fiscal Deficit

*OW1007114296 Tokyo KYODO in English
0829 GMT 10 Jul 96*

[FBIS Transcribed Text] Tokyo, July 10 KYODO — A government panel urged in a report Wednesday that Japan's critical fiscal condition, stemming from an overdependence on deficit-covering government bonds, should be reconstructed by setting numerical targets to reduce such bonds.

The Fiscal System Council, an advisory panel to the finance minister, warned in its interim report on the nation's reform of fiscal structure that the outstanding balance of deficit-covering bonds will stand at 241 trillion yen at the end of next March.

The amount of bonds should be whittled down by numerical targets of either one of the two types adopted by the European Union (EU) and the United States, it said.

The EU type sets percentage targets for the annual fiscal deficit and long-term national debts to Gross Domestic Product (GDP) at 3 percent and 60 percent, respectively. This is to ensure the fiscal health of member countries that join the monetary union program.

The U.S. type sets a certain target year by which it will clear all of the fiscal deficit.

The panel will suggest in its final report which type of target system Japan should adopt, as well as measures to cut the deficit, it said. The final report is expected to be compiled at the end of this year.

Hiromitsu Ishi, professor of Hitotsubashi University, who joined a team of the panel to work out the interim report, forecast the panel should study the EU type as a likely choice for Japan.

He said, "I personally believe that the fiscal deficit can be tolerated at a certain level, if economic growth is ensured."

According to the panel, the amount of total fiscal deficit at central and local governments is equivalent to 7.4 percent of GDP — the broadest measure of the economy's overall health — in the current fiscal year.

Their combined long-term debts are also equal to 88.8 percent of GDP.

If Japan is to reduce its long-term debt to 60 percent of GDP in 10 years, it will have to increase the general

operating expenditures, the core of the general account, by 5 percent every year, the panel calculates. The general account reached about 75 trillion yen in fiscal 1996.

The panel also recommended a radical change in the structure of expenditure in the same report.

In another report on fiscal structure, which was also adopted by the advisory council the same day, it said all spending items should be reviewed and the allocation readjusted for the needs of the time. For example, it said defense spending can be reduced in the current post-Cold War era.

In addition, the report said the long-term debt of more than 27 trillion yen left by the now-defunct Japanese National Railways (JNR) should be cleared as soon as possible, suggesting a new tax burden to accomplish this.

Japan: Editorial Says Decline of Trade Surplus 'Too Drastic'

*OW1007064796 Tokyo ASAHI SHIMBUN
in Japanese 9 Jul 96 Morning Edition p 5*

[Editorial: "Concern Over Rapid Decline in Japan's Trade Surplus"]

[FBIS Translated Text] A too drastic diet is no good for the body. We should think about a healthy diet.

We are not talking about skinny actresses. Japan's trade surplus has declined rapidly lately. In May Japan's current account surplus dropped by 46 percent compared with the previous year. Some speculators even say Japan will have an excess of imports before the end of the century.

Perhaps this is the time for Japan to start thinking about balancing imports and exports rather than cutting its trade surplus.

Japan's enormous current account surplus has been a source of problems for the world economy and has caused trade frictions with many countries. However, the surplus began to plunge after hitting a peak of 14.7 trillion yen in 1993; and, in 1995, the figure dropped to 10.4 trillion yen. According to an estimate made from records as of May, this year's current account surplus is expected to remain around 7 trillion yen.

In line with economic recovery, the rapid growth of imports is pushing down Japan's trade surplus. In addition, an increase in Japanese tourists overseas is expanding deficits in the noncommodity balance of payments.

Today, every supermarket and department store in Japan is filled with imported food, clothing, and electric appliances. Car dealers are selling "foreign-made Japanese cars" assembled by overseas subsidiaries. In computer shops, best-selling models are made-in-Taiwan Japanese brands.

Such trends are unlikely to change even if the yen becomes weak. Large number of Japanese manufacturing companies that have moved their factories overseas still have a long way to go to redeem their moving costs, and it is impossible for them to move the factory back and forth according to trends in the foreign exchange market.

As far as external factors are concerned, the rapid economic development of East Asia is strengthening the region's capability to export less expensive and high quality industrial products to all over the world. Expansion of the market economy system following the conclusion of the Cold War is boosting the growth of labor-intensive industries in China and East Europe, and their products are now threatening the markets of industrialized nations.

Since Japan can no longer expand its economy with earnings from exports, it should seek to be a major creditor who makes profits from its own investments in the international market.

As of the end of 1995, Japan's net external assets totalled 77 trillion yen, still the largest in the world; however, the income balance — consisting of investment profits and other incomes — remained at only 4.2 trillion yen for 1995. This figure was too small to cover the decline in the current account balance, which is the sum of trade, service, and income account balances.

If losses in the current account balance are perpetuated, the decline of the yen's value would become a constant pressure for inflation. Deficits in the external accounts should be covered by monetary inflow from foreign countries, and this means the Japanese have to work and make money for foreign investors.

To avoid this, Japan has to switch its trade policy from preventing friction by cutting its trade surplus to balancing its imports and exports. In this sense, Japan should encourage producers of competitive goods and services with high added value.

Above all, it is necessary to redress the economic infrastructure that is negatively affecting Japan's competitiveness, such as government restrictions and high land prices limiting liberal economic activities by the private sector.

Success in structural reform may be the key to the advent of creative and powerful companies in Japan. In this case, the world's investments in Japan will create more job opportunities and the stability of the yen.

The urgent task for the Japanese economy is to set up a high-calorie and low-fat menu to create a flexible and powerful body.

Japan: MOF Plans Zero Growth in Investment Spending in FY97

OW0907132296 Tokyo KYODO in English
1156 GMT 9 Jul 96

[FBIS Transcribed Text] Tokyo, July 9 KYODO — The Finance Ministry plans no growth in public works spending or other investment expenditures when it works out the "ceiling" for budgetary requests for fiscal 1997 starting next April, ministry officials said Tuesday.

The first zero growth in four years is necessary in light of severe budgetary constraints, the officials said.

In fiscal 1995 and 1996, the government set aside 300 billion yen each for priority projects such as information communications infrastructure improvement.

Similarly, for fiscal 1997, some members of the Social Democratic Party, the second largest partner in the tripartite ruling coalition, said appropriations for construction and other conventional projects should be cut in order to increase those for the development of new businesses.

With regard to ordinary expenditures that have been reduced at an annual rate of 10 percent since fiscal 1984, ministry officials said the ministry plans to increase the rate of reduction.

In addition, the ministry will review spending on defense and official development assistance which have been treated as budgetary "sanctuaries," they said.

Despite the spending cut plans, the ministry will undertake coordination to either increase or maintain a special budgetary allocation for the promotion of economic structural reform and scientific studies, pet policy concerns of Prime Minister Ryutaro Hashimoto, the officials said.

The fiscal 1996 budget appropriated a combined 140 billion yen for the two schemes.

The government will hold a cabinet session on Friday to review the budget ceiling for fiscal 1997, at which Finance Minister Wataru Kubo is expected to explain his ministry's intention to impose tough restraints on budget requests from other ministries and agencies.

A senior ministry official said Kubo will stress the need to reduce state deficits so as to prevent the review of budget ceilings from accelerating calls for new spending requests.

Prime Minister Hashimoto's cabinet agreed Tuesday morning to drastically promote deregulation as part of efforts to put the state coffers in order.

The cabinet is expected to formerly adopt the ceiling plan for fiscal 1997 on July 30.

Japan: Spinning Industry Seeks Textile Import Curbs

OW0907133596 Tokyo KYODO in English
1133 GMT 9 Jul 96

[FBIS Transcribed Text] Tokyo, July 9 KYODO — Japanese textile industry groups said Tuesday they have asked the government to impose curbs on imports of low-priced cotton textiles to protect the domestic industry.

The Japan Spinners Association and the Japan Cotton and Staple Fiber Weavers Association said the request was made Tuesday to the Ministry of International Trade and Industry under a safeguard clause of the World Trade Organization (WTO) agreement on textiles.

The associations said the request was intended to curb imports of cotton poplin and broadcloth, mainly from China and Indonesia, which soared almost 20 percent over the past year, dealing a heavy blow to the domestic industry.

They said imports of cotton poplin and broadcloth totaled 220 million square meters for the year to May, up 19 percent over the previous year, while domestic production dropped 36 percent.

The associations called for the invocation of the safeguard clause in February last year which was turned down by the ministry due to stabilization of imports.

Officials of the Japan Cotton and Staple Fiber Weavers Association said imports remain at high levels despite the yen's decline and the association wants a quick investigation under international rules.

Ministry officials said whether to start an investigation will be decided within two months with a decision made in about a year after the investigation.

Japan: Defense Expert Comments on Crisis Management

OW1007051096 Tokyo GAIKO FORUM in Japanese
20 Jun 96 pp 120-127

[Article by Toshiyuki Shikata, professor of Teikyo University and former commanding general of the Ground Self-Defense Force Northern Army: "What Should We Do in Contingencies? — Japan's Crisis Management System Questioned"]

[FBIS Translated Text] Since the Cold War system collapsed, Japan's security strategy has shifted its axis from that of preparing for "contingencies in Japan," i.e. threats from the north, to that of preparing for "contingencies in the Far East," i.e. various conflicts that can arise from unstable security conditions on the perimeter of Japan.

This shift in Japan's strategy was made evident last November when the defense outline (the outline of the defense plan for 1996 and thereafter) was revised for the first time in 19 years.

In the meantime, the Japanese and U.S. Governments have conducted studies on a new Japan-U.S. security system which would be more befitting the 21st century.

The studies have resulted in redefining of the Japan-U.S. security system, and this was announced in the "Japan-U.S. joint statement on security" adopted at the Japan-U.S. summit meeting in April this year.

These two official documents cited present basic conclusions, but do not present the assumed contingency scenarios that were used in coming up with these conclusions inasmuch as this is not the sort of information that can be made public.

As such, we will have to guess about the assumed scenarios from what was discussed in public arenas around the time these documents were drawn up.

Elements of Instability in the Asia and Pacific Region

In the Asia and Pacific region there exist both elements which can help stabilize the security of Japan and the elements which can help destabilize its security. I will list the destabilizing elements, beginning with those in northern areas and moving on down to those in southern areas.

First, the Russian nuclear war forces in the Far East, in particular their nuclear-armed and nuclear-powered submarines which make the Sea of Okhotsk their sacrosanct domain. The conventional military forces deployed in the Russian Far East areas are considered

to be there to protect these nuclear forces as well as to guard the China-Russia borders.

Second, the unclear future of North Korea (the DPRK), which has become even more isolated than before. Even though North Korea is maintaining a direct line of dialogue with the United States, it is not opening up and thus is still very much closed. According to what little information is leaking out of it, the country is in a very difficult economic condition while maintaining its rule in a harsh and inflexible manner.

Third, the future moves of China, which is growing very fast economically. As it is achieving such fast economic growth, if this huge country decides to make an unexpected turn in political, economic, diplomatic and military terms, that can have a great impact on its neighboring countries.

Fourth, the elements of instability in areas beyond the Far East area. Southeast Asia is also growing fast economically. It is possible that a conflict of interests will emerge among the countries there.

We must say that disputes between China and Southeast Asian countries — like the issue of territorial rights over the Spratly Islands — can be elements of instability, too.

Japan currently relies heavily on the Middle East region for oil. If a conflict breaks out at any one spot in the great region from the Indian Ocean to the Persian Gulf, it can cause a major impact on Japan. India is a big country bordering China. China has nuclear arms, while India itself does not want to join the nuclear Non-Proliferation Treaty (NPT). The sour relationship between the two big countries can turn into a major element of instability, depending on the situation.

When all these points are taken into account, it should be rather natural that the Japan-U.S. joint security statement should define the whole Asia-Pacific region including the Far East area as the area of possible Japan-U.S. cooperation.

Japan considers a good-neighbor foreign policy as the basis for maintaining good relations with Asian countries in political and economic areas, but this policy does not necessarily work in security issues. Japan has territorial disputes with Russia, South Korea, and China, and it does not have diplomatic relations with North Korea. On the China-Taiwan issue, Japan says there is only one China, but it objects to China taking over Taiwan by force.

Meanwhile, oil shipments from Middle East take the sea-lane that starts from the Persian Gulf, goes through the Indian Ocean, the Malacca Strait, the South China Sea, and the East China Sea — to get to Japan. In

the future, if a conflict breaks out in any area along this crucial "Oil Road," Japan will get embroiled in it, whether it likes or not.

Even if Japan gets involved in a conflict, however, it will only mean relying on the forward-deployed U.S. troops to project power. Japan will only support these U.S. troops by indirect means since the Constitution of Japan prohibits the use of the Self-Defense Forces (SDF) in containing or dealing with international conflicts. Beyond that, all Japan can do is use the power of politics, economy, and diplomacy to exercise influence.

But there are limitations to what Japan can do. In 1992 the Akatsuki-maru left for Japan from France to transport plutonium which had been produced by reprocessing used nuclear fuel. Some Southeast Asian countries expressed concerns about the safety of the shipment of plutonium and objected to the ship's passing through the Malacca Strait, the Lombok Strait, and the South China Sea. The Akatsuki-maru had no choice but to take the way of going into the Pacific Ocean from the Sea of Tasmania.

Admiral Wall, commander of an Australian naval fleet at that time, was concerned about the Akatsuki-maru passing through a nearby sea. He was not simply concerned about a possible accident on the sea. This writer had a chance to meet him at that time. He told me it was simply lacking in international common sense to send the plutonium-carrying ship without a Maritime SDF escort since the plutonium shipment could be hijacked on the sea.

Japan had thought itself a good friend of the Southeast Asian countries economically, but this experience over the Akatsuki-maru taught it a lesson that security issues need to be treated differently from economic issues.

The Day When Instability Becomes a Crisis

Instability does not necessarily mean a crisis per se. But it certainly is a factor which can lead to a crisis. If instability impacts on other countries, it will become a danger, but still not a threat itself. If a political intention is added to the danger by exercising force, then the danger will become a threat. But even if there are possibility and intention, the danger will not necessarily lead to an armed conflict immediately. The threat will not turn into an armed conflict suddenly unless there is a very good justification or "excuse."

Now all nations may be said to be living in the eye of the international community. If a country decides to exercise force, it will most likely be because of some kind of strategic reason or motive. A threat can turn into a tangible threat and turn into a crisis only under that condition.

One can see from this that it is a long process for an element of instability to grow into a danger, then to expand into a threat, and then to develop into a crisis.

This should prove that crisis management really means taking actions to break up this chain of process at the earliest possible stage. The writer will dwell more on that in the latter part of this article.

In the days of the Cold War, elements of instability could have led to a crisis instantly. Thus, the world was full of threats. Indeed, the world in those days had a crisis living right by it all the time. In the Cold War days, incompatible political ideologies themselves were elements of instability, and military capabilities were at a maximum danger level as a consequence of a fierce arms race.

The expansion policy of the East camp and the containment policy of the West camp, no doubt, represented the two sides' full intentions, and the two camps regarded each other as a threat. They did not need any justification. All that was needed for an armed clash was an "opportunity" or motive. The structure of the Cold War itself was a threat. The condition was such that it could develop into a crisis at any time.

It was fortunate for mankind that the Cold War did not develop into a hot war and that it ended in being a cold war. But it was not the wisdom of mankind which enabled the shying away from such a war. It can be said that the human fear of the nuclear arms' destructive power worked as the primary control to prevent a nuclear war from happening. Still, while the fear of nuclear arms' power may have been a main reason, it was not the only reason. It must be remembered that two sets of efforts to create several important frameworks helped very much in this, too.

One set of efforts refers to those made in forming collective defense frameworks from the perspective of balancing military power. Both the East and West camps understood the need for maintaining a parity in nuclear power. They also made efforts to maintain a balance even in the conventional war capabilities so that even when there was a crisis situation, that would not mean the two sides having to go into a nuclear war instantly. These pragmatic efforts helped greatly in containing a nuclear war. In addition, there were the multinational collective defense frameworks like the NATO and the bilateral alliance frameworks like the Japan-U.S. security system. These frameworks also worked effectively in preventing an outbreak of a local conflict.

The second set of efforts refers to those made for the purpose of controlling arms and building up confidence.

It can be said that these control efforts were made while the arms race continued on the other hand. Among the products of such efforts are the nuclear arms reduction accords like the Partial Test Ban Treaty (PTBT), the NPT, and the U.S.-USSR Strategic Arms Reduction Treaty (START), as well as the conventional arms control systems like the Treaty on Conventional Armed Forces in Europe (CFE). Efforts to restrain an arms race were made by creating such confidence-building frameworks as the Conference on Security and Cooperation in Europe (CSCE) (now the Organization for Security and Cooperation in Europe) and the Open Skies Treaty, and also by instituting rules of the Coordinating Committee on Exports to Communist Bloc countries (COCOM).

Still, the end of the Cold War could mean the elements of instability due to ideological differences have disappeared, but it does not mean the elements of instability due to differences in territories, race, and religion have disappeared as well. Indeed, it can be said that the elements of instability due to these differences, which have been subdued and put down by force so far, are now emerging. The present situation does not indicate the security frameworks which functioned in the Cold War days have suddenly become useless, though a change may be in order.

Actually, these frameworks have started to go independent ways. The CFE and the Open Skies Treaty remain intact, but the Warsaw Pact organization has been dissolved. The frameworks of NATO and the Japan-U.S. security system remain, but have undergone changes to be more fit to deal with regional conflicts. The CSCE, which was simply a conference, has since been upgraded to an organization. The COCOM system has been transformed into a Wassenaar system intended to stop the profusion of military technologies. The NPT has been extended for an indefinite period, and is being further strengthened. All the frameworks are in the process of changing to better suit the time of transition since the end of the Cold War.

Until a new security system befitting the post-Cold War era starts to function, the frameworks from the Cold War days will remain while undergoing changes and being upgraded. That is the realistic way of pulling through the period of transition safely.

What Is a Real Crisis for Japan?

It was not during the days of the Cold War — when the nation lived next to a crisis all the time — that the Japanese Government became serious about the need to improve its crisis management system. It was only after people started to chastise the government for its

incompetence in dealing with a large-scale earthquake and a major terrorist incident.

About 6,000 people were sacrificed in the Hanshin and Awaji Earthquake in January 1995. Some people assert that some of the victims could have been saved if the central and local governments had acted promptly. Then, in March of the same year, a subway station in the middle of Tokyo was attacked with sarin bombs. If the nation had an appropriate antiterrorist system in operation, it should have been able to avoid the incident in the Tokyo subway station, though it might not have been able to avoid the earlier one in Matsumoto City.

The government, which came under heavy criticism for its unpreparedness for contingencies, revised the Basic Law on Disaster Countermeasures and set up the Information Collection Center under the Cabinet Information Research Office. The center now has four people on duty around the clock. But its existence does not represent a national security system for crisis management. That is only a system to deal with natural disaster situations. Actually, the matters of handling natural disasters and crimes belong to the domain of local governments. The central government is supposed to only support the local governments when the latter has difficulty dealing with given situations by themselves.

A real national crisis is an emergency situation that can have an impact on national security. Discussions on what the government should do in an emergency situation have so far centered on the question of what Japan "should do to help the U.S. Forces in Japan under the current laws." In the course of discussions, the government has found it should think about contingency scenarios in the Far East, too. But, of course, all nations think the best thing for them is not to fall into a crisis. As a result, the people tend to live trying not to think about a possible crisis situation. Since the end of World War II the Japanese have lived in the idealistic thinking that the nation would not get involved in a crisis by not thinking about it and by thinking only of peace.

Seen from another angle, this meant the Japanese believed that if they discussed actions to be taken by the government in a crisis situation, that itself could turn into a cause for a crisis situation to rise in the country. Indeed, that meant the Japanese did not want to even think about realistic actions to take in such a situation.

It is desirable for the people to want and seek ideals. It is important for a government to present an ideal picture or a "desirable" picture of a nation for its nation to pursue. A government which lacks in "ideals" to pursue is not a government. Nor is a government which fails to see the "reality" of the need to prepare for "undesir-

able" situations desirable. Governance sometimes means making difficult decisions in order to fill gaps that exist between the ideals and realities. Failing to make such decisions would only mean fleeing from the responsibility of governance.

Though Japan lived right next to a crisis in the days of the Cold War, however strange that may sound, the politicians spent every day of those days debating pros and cons of the theological argument asking "what does Japan want to defend from what?" and on the legal argument "is the SDF is constitutional or unconstitutional?" Some people loudly complained that the Japan-U.S. security system is a dangerous system that will end up involving Japan in a war started by the United States. But once the Cold War ended, another strange thing happened, and these people stopped questioning the SDF's legitimacy, and abruptly turned toward accepting the "SDF as constitutional." For some reason, these very same people, who had protested against the Japan-U.S. security alliance as being dangerous to Japan, started to say — following the termination of the Cold War — that the Japan-U.S. security system has become important and should be maintained.

Now that Japan has new rules to deal with the new era defined in the revised "defense plan outline" and "redefined Japan-U.S. security system," what it needs to do next is to take action to prepare and formulate specifics that will make up the substance of the national security and crisis management system. The work of doing that should be based not on abstract arguments but on specific scenarios of crises.

Typical Scenarios of Far East Contingencies

There are many possible scenarios of contingencies in the Far East — scenarios broken down by geographical areas, scenarios broken by length of time, and scenarios broken by the genres of contingencies.

By geographical areas, we can make assumptions on crisis situations arising in the Russian Far East, the Korean peninsula, the Taiwan Strait, and Mainland China.

From the perspective of length of time, we can think of crisis conditions that will prevail over a short, medium, or long period of time.

In terms of genres of contingencies, we can think about two genres — one in which the contingency situation happens overseas and the other in which the situation happens in Japan. As instances of the first genre, we can cite the case of Japanese residents in a neighboring country caught in a crisis condition there

and of Japanese vessels or aircraft happening to be in a foreign country when a crisis situation arose there.

As for the second genre, we can think about the situation of a large number of refugees fleeing into Japan from a neighboring country; the situation of some forces starting a large-scale destructive action in a foreign country, instigated by a neighboring country; and the situation of missiles being fired into Japan from a neighboring country.

Because of the given limitations on space here, I cannot write about all the possible scenarios, so I will present the three most typical scenarios of contingencies that could happen in the Korean peninsula and China, in short, medium, and long terms.

A Scenario of Rescuing Japanese

This is the situation wherein Japanese in a foreign country need to be evacuated following the breakout of a conflict in that country — a type of situation which can happen actually at any time. It is not the kind of situation which would result in a life-or-death crisis for Japan even if it made some errors. A study on actions for the nation to take in such a situation, however, will help readers realize what kinds of basic problems Japan has in its security and crisis management system.

The evacuation of Japanese residents in such circumstances needs to be conducted urgently in most cases. But if there is no need to hurry, the people can be evacuated by commercial airplanes in an orderly manner.

If the government can predict the direction of a certain unusual condition in a foreign country and start the evacuation of Japanese at an early stage, there will not be much of a problem. But there is no assurance we would be able to do that. Sometimes the government will find it impossible to pull only the Japanese out of a foreign country, ignoring the people from other countries who are still there doing everything they can to help avert a crisis condition.

Nor is there an assurance that diplomatic negotiations with parties in conflict will succeed in getting only the Japanese out.

Even when the government offers to pay money for the Japanese evacuated, there is no assurance that such an offer will be accepted. In that kind of situation, often there are no parties to deal with at all. Even if such negotiations do succeed, how will the international community look on that Japanese deal?

Let us suppose that all the diplomatic negotiations and other bargaining, including the offer to pay money, have failed and there was no way to get the Japanese out although the situation was quickly deteriorating.

In such a situation, the airports to be used for evacuation are often in chaos with many frantic foreign nationals and local refugees trying to board airplanes. Gunfire from warring groups could be flying and exploding nearby. It would be too risky for commercial airplanes to fly in. What the countries would do in that type of situation is send in their military airplanes with escort troops to evacuate their own people.

The Japanese Government is authorized to use its Air SDF to evacuate Japanese in such a case (Paragraph 8 of Article 100 of the SDF Law). But there are some preconditions attached to it.

The first precondition is that the rescue operations be risk-free. The second precondition is that the government in principle use government-owned aircraft (which are controlled and run by the Special Aviation Transport Unit of the Air SDF). The third precondition is that no SDF personnel — except for military police members as escort personnel — be sent to participate in rescue operations since the first precondition is that the rescue operations should be risk-free.

If Air SDF transport planes put themselves at risk and fly into the area in conflict and try to rescue Japanese, they could come under attack. Or if embroiled in the conflict, the transport planes could even be shot down by antiaircraft guns.

So, to protect the SDF transport planes and the Japanese civilians being evacuated, there could arise the need to include lightly armed guard units on the planes and also to have fighter planes escort the transport planes. If the conditions are not so bad as to demand such an action, commercial planes can be used.

But if security guard units and escort planes are sent along with rescue transport planes, the possibility arises of them getting involved in an incident and going into a battle with warring parties. Therein is the dilemma. That kind of rescue operations would constitute a violation of the Constitution, not to mention the SDF Law.

If the government is not willing to risk violating the current Constitution, there will be no way of ensuring the safety of Japanese or to protect the SDF members employed in the rescue operations. There starts the theological argument asking the question of which is more important — "the Constitution or the life of the people?"

There are two ways to go around and get away from going into this theological argument. One is to conduct rescue operations in cooperation with other countries. The other is to talk another country involved into bringing Japanese nationals out together when it brings

out its own people, providing funds necessary for the operation in return.

The first way would be a good choice if the Japanese to be evacuated numbered only a few, but would not be too realistic if the number of Japanese to be rescued ran to 1,000 or 2,000. In fact, if that kind of situation occurred in the perimeter of Japan, Japan could be asked by other countries to become a main party in the rescue operations rather than the other way around.

It is likely that where there are Japanese, there are also many foreigners like Americans and French. When a contingency situation happens in such a place, it would be inefficient for each of the countries to go into rescue operations independently. In such a case, several nations involved often mount joint operations by pooling military means.

If one studies past experiences in the Middle East areas, one learns that rescue operations require various elements of military units and facilities and that a lack of any of them will make safe rescue operations difficult.

It is necessary first to transport the evacuees to designated airports or seaports safely. Normally this would mean procuring transport services by buses and trucks locally. But sometimes that will not do the job. Sometimes one nation would have to provide a fleet of trucks which would go around collecting two or three evacuees here and there, while another nation would have to provide air cover for these trucks, using armed helicopters.

Still another country would have to provide security troops to defend airports so that the evacuees collected at the airports can board airplanes in orderly manner. Sometimes a country would have to dispatch its naval vessels to nearby waters and send in helicopters therefrom to fly the evacuees on to the ships. There could also be a country which sets up a field army hospital in a corner of an airport to provide medical services, a country which provides communications services required for joint operations, and a country which provides the units supplying food and water to the evacuees and the rescue operation troops.

The nations would be sharing their "risk-bearing burdens" in this manner, even though Japan itself would be engaged in diplomatic negotiations to exclude Japan from the burdens of sending its SDF, saying Japan is bound by constitutional restrictions but adding it can share "the burden of finance," be it big or small.

Japan would say it cannot share risks with other countries not because it is a coward, but because such risk-sharing actions "in consort" with military actions of other countries would constitute the exercise of

collective self-defense rights, which are banned under the Constitution.

That kind of explanation could be accepted if the situation in question was something that happened on the other side of the globe. Would other countries be able to understand if a conflict broke out in Japan's perimeter but it insisted it should be excluded from the "group," asserting it has collective self-defense rights but cannot exercise them?

The government by its interpretation of the nation's collective self-defense rights is imposing strict self-restrictions not only on its possible role in such multinational forces' cooperative actions as cited above, but also on its role in assisting the U.S. Forces in Japan. This interpretation should be fully debated as to its appropriateness before the public.

Scenarios Assuming a Massive Inflow of Refugees

In the short term it is difficult and unrealistic to assume a scenario of a refugee exodus in a neighboring country leading to a massive inflow of refugees into Japan. But in the medium term of five years from now, it is one of the scenarios which the nation must think about as a possibility, given the current international situation. The writer will study this scenario, taking the geographically closest Korean peninsula as a possible case in point.

No one can predict accurately what course North Korea will take in the future. But everyone will give about the same answer if asked what course he hopes North Korea will take.

The desires for North Korea regarding economics, foreign policy, military policy, and politics, are:

In economics, it will open up its door gradually, take in investments and assistance from foreign countries, and form a base for economic growth by taking priming-up measures.

Regarding foreign policy, it will promote trust relations with the international community and will follow international rules faithfully; for instance, accepting inspections by the International Atomic Energy Agency (IAEA).

North Korea is now trying not to lose its link of dialogue with the United States. This link can be a base for constructing trust relations with the international community in the future, and thus provide a breakthrough. But North Korea cannot make much progress in improving its relations with the United States without improving its relations with South Korea, and North Korea must seek to improve ties with Japan as well.

In military policy, it will bring transparency to its arsenal by issuing something like "defense white papers" and will make efforts to limit its arsenal to the minimum level necessary for self-defense.

In the area of politics, it will make efforts to achieve economic growth without changing the current political system much, and will make efforts to diversify its diplomacy and to ensure transparency in defense capabilities. It can learn from precedents set by China.

This course may be called a course for a soft landing, but Japan needs to consider the situation if North Korea does not take this course. If North Korea fails in making a soft landing, that could prompt economic deceleration, which will trigger political unrest. This alternative could be called a "change-of-power" course. The change of power could take place in one of the following three ways:

First, as Prince (current King) Sihanouk of Cambodia used to do, Secretary Kim Chong-il would come to spend some of his time overseas and some at home, going back and forth. Thus he will wield a degree of influence on the government, but actual governance will be done by someone else in Pyongyang.

Second, as happened with Secretary Honecker in former East Germany, Kim will be expelled from the country in a bloodless coup, and will not be able to exercise any influence on the government at all.

Third, as happened to President Ceausescu in Romania, great chaos will emerge in Pyongyang, and a new government will take over subsequently.

There could be one more course besides the soft landing course and the above-cited change-of-power courses. It is a most unlikely scenario, but if it does happen, its effect will be most devastating. The assumption of that course:

Because of its stagnating economy, North Korea has been slow in upgrading its military arms. Now North Korean arms are superior to the South Koreans' in terms of quantity, but not in terms of quality. The North Korean military leadership knows this. Having analyzed the results of the Gulf War, the North Korean military leadership is also aware that in a war now, the quality of arms decides the outcome of a battle. With its arsenal becoming further outdated as time passes, the North Korean military leadership is aware that it will soon become impossible for North Korea to maintain its military edge over South Korea.

The leadership also must know that with its existing military power it would be difficult for North Korean forces to drive the U.S. and South Korean forces into the

bridgehead of Pusan in one single push. As such, after having done studies on all thinkable courses of military action, they could decide to bet on the possibility of being able to advance up to the northern bank of the Han River in Seoul in a surprise attack.

The North Korean forces' capabilities fall behind the South Korean forces in areas of tanks, aircraft, and telecommunications, but hold an overwhelming superiority in fire power of artillery and long-distance missiles.

One of the most strategically rational operations, which makes the most of this superior fire power and has a high chance of succeeding, would be that of launching a surprise attack on a close objective and capturing it in a relatively short time, thus coming to hold many South Koreans, who have not been able to flee in time, in a hostage situation.

If North Korea decides for that operation, it will probably throw in its special forces — said to be 80,000 strong — into the rear areas of South Korea and take actions to paralyze its national systems, for instance, by attacking such facilities as nuclear reactors, by killing South Korean leaders, and by incapacitating the use of port facilities and airports.

Once North Korean troops succeed in reaching the Han River line, they would be able to take as hostages several hundred thousand South Koreans who live in areas between the existing demilitarized zone and the Han River. They might even succeed in taking some U.S. soldiers as hostages. The hostages alive will be far more useful as a card of bargaining than "the card of suspected nuclear arms development" or the "card of missiles." North Korea could seek negotiations on an equal footing with the whole international community — using this "hostage card."

Of course, this unlikely course of action is the final "military invasion" venture in which North Korea will stake everything. No doubt, this is the worst course.

Of the three courses of action cited above, the two courses other than the soft landing can result in some outflows of refugees from North Korea.

It is not so difficult to imagine the largest number of refugees will be generated if North Korea takes the military invasion course. According to a guess made in the "Refugee White Paper" prepared by the Office of the UN High Commissioner for Refugees (UNHCR), about one-tenth of the North Korean population could become refugees in that type of situation.

That would mean about 2 million of the country's population, and that number does not sound like an

exaggeration in view of the fact that about 2 million refugees fled the North to the South during three-year Korean War from 1953.

It is highly likely that many of the refugees would be fleeing into China, which is right next to it overland. Many of them could be going to join ethnic Koreans living in China. China would probably accept some of them, but not all of them. China already has 1.1 million Koreans living in the Korean Autonomous District, and it could be reluctant to accept 2 million refugees.

The refugees who cannot get into China may flow in Russia. But that number would be limited when considering the difficulty of life in Russia for the refugees. Reports reveal a number of cases of North Korean laborers sent to Russia as loggers having fled back to North Korea, unable to withstand the severity of the working conditions in Russia.

The refugees who want to move into South Korea have the problem of having to cross the mine fields of the demilitarized zone along the 38th parallel line. Additionally, the South Korean troops will not accept them just because they are refugees. During the Korean War, many guerrilla troops infiltrated into the South, mingled with the fleeing refugees, and created chaos in the rear areas of South Korea. The South Koreans have a bitter memory of that. Besides, South Korea today is much different from that of the past, and it is now a country of a very highly-developed, fragile social structure. Damage from North Korean special forces can be so great as to exceed the ordinary people's imagination.

It would not be strange if the refugees, who were rejected by China, Russia, and South Korea, tried to flee into Japan across the sea. The North Korean residents in Japan who visit North Korea have told them Japan is a free country, abundant and generous.

It is impossible to forecast how many refugees will try to get into Japan. If the writer assumes one out of every 10 refugees would try to do that, that will mean about 200,000 people would be crossing the sea at night and float around the coast of Japan. Japan is a member of the "Treaty on Refugees." It is obligated by the treaty to treat refugees generously. Furthermore, at present, the high commissioner of the UNHCR is Ms. Sadako Ogata. Japan is expected to be a model country in accommodating refugees. Then, once the story on how Japan treats refugees gets around among the refugees, more refugees will cross the Sea of Japan. The number of refugees could exceed the initially assumed 200,000.

Some of the refugees could have arms. Some might try to sneak in. One thing is clear. The situation would be

much different from that of the time when victims from the Hanshin-Awaji Earthquake had to be accommodated in temporary housing.

Is Japan prepared to take in so many refugees and accommodate them? There will be no way for the patrol boats of the Maritime Safety Agency to deal with all these ships laden with refugees. The Maritime SDF will have to join in the work.

Japan does not have an island that can take in this additional 200,000 population. Tsushima and Oki islands are too small. So, these people will need to be accommodated on the mainland, scattered on the coastal areas of Niigata Prefecture and Saga Prefecture. If the appropriate size for one refugee camp from the viewpoint of efficiency in management and security is 500 refugees, the nation would need to construct, maintain, and manage a total of 400 refugee camps.

It will be no easy job for the government to provide food supplies, medical services, and educational services to all these refugees while guarding them. The police force will not be able to perform the duty of guarding them alone, and the Ground SDF will probably need to get involved.

But right now the government policy is to deactivate the Ground SDF units now in Shinetsu, Hokuriku, and Yamagata. The vessels and aircraft of the Maritime SDF which could be used in locating and accommodating the refugees are due to be reduced as well. And there are no laws or rules to govern the SDF troops employed to deal with the refugees.

There are so many things the government must do hereafter. It will take at least two to three years to formulate the necessary laws, to establish cooperative systems among the government offices, and to undertake training of personnel to handle the refugees. The writer earlier said this scenario is a medium-term situation, but it should not be too early if the government started to prepare for this situation immediately.

A Scenario of National Security Being Threatened

Lastly there is the crisis scenario from the long-term view of what might happen 20 years from now. If any one asks me why I am so concerned about 20 years from now, I will say that is because it takes about 20 years to build up national defense.

National defense capabilities cannot be built up overnight. The defense capabilities the nation now has are a product of what started 20 years ago.

The SDF will have to make a prediction on future technologies to decide what equipment to develop, to

produce experimental models, to conduct tests on them, to actually produce them, to train SDF personnel on their use, to organize SDF units by combining the trained personnel and the equipment, to develop operational doctrines and familiarize the units with them, to have the units devise and build up systems of cooperating with other units, and to establish supply systems to support these units. It takes at least 20 years for the SDF to do all this.

It is wrong if anyone thought only the SDF would take that much time. Other countries' armed forces would need about the same length of time to bring up their defense capabilities. This length of time is called the military equipment's time cycle. The newly projected equipment and organizations, the budgets for which were adopted this year, would bear fruits and come to make up an integral part of the national defense power around 2015, or about 20 years from now.

In the scenario above of rescuing Japanese from a foreign country or of accepting a mass of foreign refugees into Japan, even if the government's actions dealing with them were inadequate, that would not result in endangerment of the national security. But the scenario I will present below is different. If the government makes one mistake in the kind of given situation it could jeopardize national security seriously.

It is more difficult to predict the strategic condition of the whole perimeter of Japan 20 years from now than to predict the future of the Korean peninsula. Around 1976, or 20 years ago, there were not many strategists or historians who predicted the world to come to what it is now — with the Cold War long gone.

Hence, it should be more desirable for the government to think about what can happen in the future — assuming several possible choices of courses — than to make a prediction on what will happen in the future. The writer believes the government should give a study to all of these possible courses and prepare the nation to have the minimum necessary defense capabilities to be able to deal with all the situations that can occur in these assumed courses.

It is impossible for one nation — even big military powers like the United States and Russia — to secure capabilities to meet all of these possible situations. But the biggest change that can happen in the perimeter of Japan around 2015 will be one that involves Russia or China, the two countries which apparently have begun to change drastically.

Both Russia and China are making efforts to push their economic growth, to democratize politics, to reform society, to diversify foreign policies, and to convert

their weapons industry into a commercial industry. It is impossible to predict what courses these two big power will come to take eventually. Even the Chinese and Russians themselves are not able to make an accurate prediction.

The writer will take China, which is geographically close to Japan, rather than Russia as an example of a country which can have an impact on Japan with regard to national security and crisis management.

While it is impossible to make a prediction on what China will be like in 2015, people have an agreed view on what they hope China will be like by then.

The people have a common picture of a "desirable China." It is China which is sustaining a stable economic growth, which is making efforts to improve the natural environment by containing pollution, which has solidified relations of mutual dependence with the international community and observes international rules, which has made further progress in democratization of politics, which holds only enough military power to defend itself and keeps information on arms transparent, and which is willing to resolve problems with neighboring countries by dialogue.

It is a soft landing course for China and it could be the course which the Chinese themselves would prefer. Japan could help that country toward that course, and Japan should make substantial assistance with its capital and technologies. But still the future of China can be determined by the Chinese themselves, not by the Japanese.

Studies on China's impact on the security of Japan boil down to studies on what Japan should do if China does not follow the soft landing course. And these studies should not contradict the need for Japan to help China stay on track on the course for a soft landing. But since it is China which decides to go by the course or not, Japan cannot bet its own security only on the chance of China staying on that course.

Let us take a look at what other courses China can take if it decides to come off this desirable course. Then we will have to discuss what can motivate the country to leave the desirable course for an undesirable one.

One of the motives could be the deceleration of the economy, which might happen if the current somewhat overheated economic growth continues but management mechanisms on this condition do not function. A major problem will arise particularly when China is compelled to import large volumes of oil resources.

Social unrest can brew if the wealth distribution system does not work well enough, individual people's mam-

monism grows, regional economic gaps widen, and the pollution problems come on top all this, even though the economy is on track and is growing.

If government control on population growth does not work, while the farming acreage is decreasing and farmers are increasingly leaving the farms, that situation can lead to food shortages.

Moreover, with the economy growing, the trend of individualism will emerge and voices calling for prompt democratization of politics will rise. Consequently, China will come to seek some kind of binder to maintain the system of the nation. The old Confucianism or Communism will no longer be useful as a binder to keep the population of 1.3 billion together in one country. It will be likely that China will resort to the easy-to-use "nationalism" to do that.

As accessibility to information improves with the economy and technologies advance, the separatist moves of minority nationalist groups could become more active. The Chinese Government might use military power to put down such moves. Meanwhile, in order to help save on resources to be used in economic development, the People's Liberation Army will probably undergo a change in the way of putting more weight on quality than on quantity.

That in turn means China will come to depend on nuclear deterrence much more than it does now. Consequently, there is the possibility that China will continue to develop nuclear arms in one way or another even after it has signed the Comprehensive Test Ban Treaty (CTBT).

Furthermore, in order to ensure safety of sea-lanes for oil imports on which China will come to increasingly depend on for its oil supplies, it will decide to build up its own ocean-going naval fleets. Lacking in ports to use overseas, China will also build aircraft carriers for its Navy sooner or later. It takes about 10 years to plan, build, and operationally employ aircraft carriers.

The modernized naval fleets of China will eventually come to see the need to go from the South China Sea to the Indian Ocean through the Malacca Strait. Proud China will never enter into a military alliance with the United States or Russia in order to call on the U.S. Seventh Fleet or the Russian Pacific Fleet to defend the sea-lanes of China.

China will think it is only natural that its Navy should be expanded. With the Spratly Islands issue pending, the Southeast Asian countries are getting increasingly wary. India, a country with a territorial dispute with China, will become alarmed by the advance of the Chinese naval fleets into the Indian Ocean.

India might decide to have nuclear arms of its own in order to counter-balance the military expansion of China. If India comes to have its own nuclear arms, Pakistan may choose to do the same thing, and that will mean the disappearance of "control" on the profusion of weapons of mass destruction.

If China chooses to sell weapons such as missiles and nuclear technologies to Middle East countries as a way of reimbursing for oil products from these countries, China's military might will turn into a global issue and a major matter of concern for the international community.

If the nuclear power of China comes to have ocean-going fleets that include aircraft carriers, and if it starts to seek diplomatic solutions to such issues as the Taiwan Strait, the Sengaku Island, the Spratly Islands, and the continental shelves with the help of its military might, the people of Japan cannot just sit and watch it nonchalantly. If the sea-lanes for Japan are narrowed and if that results in less meals for Japanese to eat at home or less products for them to buy in supermarkets, the Japanese are bound to react strongly.

China now has nuclear arms, but it is in no way a military giant. But it has the potential to become a military giant by 2015. If it fails to deal with and resolve internally latent political, economic, diplomatic, and military problems noted earlier above, China can change itself into a military giant and elements of instability in China can develop into a threat for Japan.

There is another course China might take. This is not a course of China becoming a military giant, but a course of it falling into major domestic chaos before it becomes a military giant. Failures in economic growth could trigger that course. This is indeed the worst-case course that could even split up the country. If this situation happens, it is likely that a large number of refugees will flow into Taiwan, Okinawa, Kyushu, and Southeast Asian countries.

In other words, if China fails to make a soft landing, it can take the course of either becoming a military giant or disintegrating.

Japan needs to assist China, but it also needs to watch the condition of China and to be prepared so that Japan may not fall into a catastrophe regardless of what course China may take. Japan must also maintain its trust in the Japan-U.S. security alliance, and must not neglect to maintain an appropriate level of defense capabilities by restructuring the SDF so that Japan may be better prepared for the strategic circumstances of 2015.

If a country makes a wrong judgment and action in dealing with a long-term crisis scenario, there is no way of

redeeming the mistake. There is no way to go back 20 years and change the policy decision made on the quality and quantity of the defense capabilities at that time. There are too many cases to enumerate of countries which, after making a wrong judgment of history, disappeared from the limelight of the international stage.

What To Do About the Nation's Crisis Management System

Actions to deal with large natural disasters, major acts of terrorism like the series bomb attack on a subway station, or the hijacking of an airplane, no doubt, are crisis management actions, too. But the crisis management's ultimate objective is in preservation of national security.

Let us think about and study the "procedure of crisis management" which is common in all the crisis management actions.

The first step is setting the crisis management procedure is to determine what the "ordinary conditions" are and what the "contingency conditions" are.

It is very important to decide in advance the criteria of what should be considered contingencies. There is no way to get the Prime Minister's Official Residence (PMOR) involved and to have the prime minister act on everything.

Now there is the question of who should judge and decide if a certain given situation is a contingency situation or not, using what information.

However absolute and smart a leader may be, he cannot make a judgment on whether a given situation is a contingency situation or not unless he has necessary information. Hence, it is important that rules are made in advance on what information needs to be provided to him by when. These rules, normally called the information collection plans, stipulate who have duties to collect what kind of information by what time.

In an emergency situation, it is impossible to take all the time it takes to collect information. The time to collect information as well as organizations used in it are bound to be limited. So the people concerned need to decide in advance what is important and what information should be collected through all possible means possible (i.e. EIR: essential elements of information). Information not timely enough to be used in assessing situations is useless, however fine it may be in its contents. The time for which to make a decision needs to be compromised with the quality and quantity of the information at some point.

The government also needs to have rules which stipulate how collected information should be delivered and who should process and analyze it.

One should not say that since security is involved, the Defense Agency's central command post should take care of it. The Defense Agency central command post is the post that controls operation of the SDF, and is not a post in charge of situations of conflicts. Information necessary to deal with conflict situations must come from almost all the government offices including MOFA, the SDF, the National Police Agency, the Fire Defense Agency, the Maritime Safety Agency, the Ministry of Transport, the Finance Ministry, and the Ministry of International Trade and Industry.

Information reported vertically by each of the government offices becomes lumped laterally in the PMOR. Only then does it become meaningful information. This is normally called a fusion process.

In Japan the Cabinet Information Research Office is supposed to perform this function in the PMOR right now. But that office is lacking in both personnel and facilities. This body should be beefed up drastically and be given the capabilities and power to collect and process information from all government offices.

The Defense Agency currently has a plan to integrate the information analysis functions, now being performed independently by each of three SDF staff offices, into the "Information Headquarters" in the near future. The writer believes all other ministries and agencies should do the same thing, and each of them has that kind of information collection system.

Suppose, for instance, the Ministry of Transport is always well informed of the status of operations of commercial ships and airplanes worldwide. Then, if there is an unusually big change in the operations of the ships and airplanes, the ministry may be able to get a hint that something is happening.

Suppose the Ministry of Agriculture, Forestry, and Fisheries is well-informed of the moves of agricultural products worldwide. If so, the ministry should be able to notice an unusual sign if there was a major change in the moves of the products.

Japan does not have its own reconnaissance satellites. Japan has no way of knowing if there were abnormal situations occurring in neighboring countries. Japan has to largely depend on information collected by other countries — is making the final important decision. Japan should have its own reconnaissance satellites soon.

The PMOR must have a well-protected command center and two or three situation rooms built underground. It must also have the information system of all the government offices connected by networks which are highly attack-endurable.

Even when everything has gone well with information collection, something could have happened to the prime minister, the man who makes the decision. Against such a situation, a rule clarifying the next person in command should be prepared, and the exercise of transferring command should be conducted, assuming emergency conditions.

There is no assurance that the PMOR can be used as a command center all the time. It should be necessary to designate an alternate PMOR beforehand so that the command can deal with a given crisis situation while on move. At present, there is a rule on where the PMOR should move to in case of a major earthquake in the Kanto area. The government should have a place to move the PMOR to in case of contingencies that affect national security.

The prime minister-led crisis management system cannot mean simply the hardware like the PMOR or the communications networks. Software-type matters like the power and authority of the prime minister should be decided in advance. Laws to apply in contingencies should be readied as well.

Among the laws that should be readied with regard to contingency situations are those which define the power and authority for action-enforcing units like the SDF elements. It must be remembered that making these preparations is an important step for the government to retain civilian control. The laws on contingencies are not something that can be legislated after the contingency situations have occurred. They are laws which apply only in time of contingencies, but must be made ready in peace time. If there are no laws on contingencies, it can result in granting super-legal power to the military units employed in emergency operations.

Once all the hardware and software for national crisis management has become ready, there comes the most important part — the bold resolve of the national leadership of what to do, backed up by the capability to carry it out in an orderly manner.

What defends the nation is not only the defense capabilities, however. One should remember the possible process cited above of an element of instability leading to a condition of danger, to that of a threat, and then to that of a crisis.

Economic assistance should be provided to China so that elements of instability there, coupled with excessive military capabilities, would not develop into a condition of a danger. Amicable diplomatic relations should be maintained with it so that a danger condition, with some kind of intentions added, may not develop into a threat. A favorable political atmosphere should be created and

maintained so that the condition of a threat, given some kind of justification, will not flare into a condition of crisis. Indeed, all possible considerations should be made from economic, diplomatic, and political perspectives in order to ensure security of Japan.

The defense capabilities are only the last resort to use after all other means have been exhausted.

Japan: Shinshinto To Start Rallies From 28 Aug
OW1007104296 Tokyo KYODO in English
0927 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO - leaders of the largest opposition party, Shinshinto (New Frontier Party), will hold mass rallies in major cities starting Aug. 28 to publicize the party's election campaign promises, Shinshinto sources said Wednesday.

The party was set to launch nationwide stamping tours from late July, but was forced to postpone the plan due to the busy schedule of Shinshinto leaders, the sources said.

About a week before the first of the rallies is held in Tokyo, Shinshinto will decide on its election campaign promises on such key issues as the proposed hike in the consumption tax to 5 percent from the current 3 percent from April of next year, they said.

Also, Shinshinto is considering holding an extraordinary party convention before an extraordinary Diet session is convened in October, they said.

Shinshinto needs to pursue these tactics to get itself well positioned ahead of the general election, which could take place as early as this fall, they said.

Attending the rallies along with party chief Ichiro Ozawa will be party Secretary General Takashi Yonezawa, three former premiers — Tsutomu Hata, Morihiro Hosokawa, Toshiki Kaifu — and senior party leader Koshiro Ishida.

Japan: Ozawa Seeks Cooperation From Hata, Hosokawa

OW1007010996 Tokyo MAINICHI SHIMBUN
in Japanese 9 Jul 96 Morning Edition p 2

[FBIS Translated Text] Ichiro Ozawa, president of Shinshinto (the New Frontier Party [NFP]), plans to hold a meeting on 9 July with three former prime ministers, Tsutomu Hata, Morihiro Hosokawa, and Toshiki Kaifu, the party's supreme advisers. Ozawa hopes to seek the latter's cooperation to help unify the party in view of the next general election. Ozawa plans to ask Hata and Hosokawa to head a panel on political reform and

a panel on economic reform, respectively. Hosokawa, however, has shown reluctance.

As the NFP has been plagued by discord, younger party members have shown growing concern, saying: "We cannot take on the general election at this rate." As a result, many members have actively engaged in behind-the-scenes maneuvers to help unify the party. On the evening of 4 July when a policy study meeting was held, Toshihiro Nikai from Ozawa's group, Hajime Ishii from Hata's group, Michihiko Kano from the middle-of-the-road group, and other members exchanged views at a Tokyo hotel on how to rebuild the party. Moreover, on 5 July, Kenji Yamaoka, a close aide to Ozawa, and other members of Ozawa's group invited Hata to a get-together round of golf at a golf course in Yokohama.

In response to the mood within the NFP to promote internal harmony, Ozawa himself has been trying hard "to be considerate — one of his shortcomings" (according to a senior NFP official). On 13 July Ozawa also plans to travel to Ishikawa Prefecture, the home prefecture of Keiwa Okuda, a senior party member who has distanced himself from Ozawa, to indicate the party's unity in view of the general election. From late July to October the NFP plans to hold a "nationwide grand speech tour" covering Tokyo, Osaka, and other cities in which Ozawa, the party's three former prime ministers, and other party officials will participate.

Japan: Article Reviews Military Journal's Special Issue

OW0907142196 Tokyo RIKUSEN KENKYU
in Japanese Jul 96 p 135

[Unattributed article, originally titled "Information Special Issue After Action Review"]

[FBIS Translated Text] It is said that the 21st century will be an informatization era. The means of transmitting information will grow more diverse. The exchange of greater amounts of information at greater speeds and at greater distances is foreseen. In the military field, too, there is likely to be a similar advance in informatization and a trend towards increasing value placed on information. Therefore, we planned this special issue in the sense of stimulating a recognition of and feeling for information on the part of the many members of the Japan Ground Warfare Academy [JGWA], in whose activities in the 21st century there are great expectations. We would like to express our gratitude here to Major General Masahiro Shigemura and Professor Hiromi Tanaka for contributing articles as well as to JGWA members in the Intelligence School for their cooperation.

We have been reading various genres of books, journals, and other publications. Depending on their contents,

some we simply read and put down, others we add to our store of knowledge, still others become a source for our ideas and flesh out our thinking, and then there are those that confirm our ideas and thinking. In general, we either read publications and put them down as we would a novel or try to absorb as knowledge extracts from news journals or specialist publications. On the other hand, it is difficult to read the same news journals or specialist publications to make them a source of our ideas. The reason is that this type of reading is not possible if there is no background knowledge or desire.

RIKUSEN KENKYU is a specialist journal, so its contents must both offer JGWA members new and deeper knowledge as well as find concrete ideas for commanders, staff officers, and others.

We would be pleased if, from the various standpoints of our JGWA colleagues, this special issue offered knowledge and ideas previously unknown.

North Korea

DPRK: 'Anti-Government Struggle' of South Koreans Noted

SK0607045596 Pyongyang KCNA in English
0342 GMT 6 Jul 96

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — South Korean people from all walks of life continued their anti-"government" struggle.

Some 1,000 members of the headquarters of the Joint Struggle for Defending National Medicine entered an all-night sit-in at the Myongdong Cathedral in Seoul on July 3, demanding the prosecution authorities investigate the company's unwarrantable test of manufactured traditional medicine.

On the same day, the trade union of the Daewoo Heavy Industries decided to stage a strike after a collective negotiation with the company for the vital rights failed.

It was agreed to form a measure committee for strikes supported by several thousand unionists of the Incheon, Anyang, Changwon and Ansan factories and decide on the schedule of the strikes.

On July 3, students of the Seoul District Federation of University Student Councils (Sochongnyon) held a demonstration in Ulsan, North Kyongsang Province, against the so-called "new labour-management reform" clamoured about by the traitor Kim Yong-sam.

They chanted slogans voicing opposition to the deceptive "new labour-management reform" raised by the present "government" and expressed solidarity with the strike of trade unions of enterprises in the Ulsan area

under the Federation of Trade Unions of Hyundai Group Subsidiaries.

DPRK: Paper Denounces Meeting of ROK Security Chiefs

SK1007031496 Pyongyang KCNA in English
0305 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — The South Korean puppets held a "consultative meeting of chiefs of security-related organs" including prosecution, police and the "Agency for National Security Planning" again recently to discuss a fascist step to "mercilessly eliminate the leftists."

In a commentary NODONG SINMUN views the step as developments which can never be overlooked and as a fascist move to emerge from their serious ruling crisis.

Such a barbarous act as harshly suppressing patriotic-minded students and people by charging them with being "leftists benefitting the enemy" can be done only by truculent fascist tyrants like the Kim Yong-sam group, the daily says, adding:

The puppets are seeking a way out in such a way as intensifying the suppression of the people. This is, however, a mistake.

The Kim Yong-sam group must promptly stop the suppressive offensive against students and people.

DPRK: Group in Japan Urges Improvement of Korean Schools

SK0607082596 Pyongyang KCNA in English
0717 GMT 6 Jul 96

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — Representatives of the Kanagawa Prefectural People's Council for Supporting the Independent and Peaceful Reunification of Korea went to the Ministry of Education of Japan on June 26 to convey a request for improved treatment of Korean schools.

The document says that in view of the historic background of the settlement of Koreans in Japan and of Japan's responsibility for the division of the Korean nation it is necessary to resolve the problems concerning the rehabilitation and operation of earthquake-hit Korean schools in Hyogo prefecture and qualifications of the graduates of Korean high schools for examinations for schools of higher grade.

DPRK: Chongnyon Official Arrives for Visit
SK0607114996 Pyongyang KCNA in English
1130 GMT 6 Jul 96

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — O Hyong-chin, vice-chairman of the central standing committee of the General Association of Korean Residents in Japan (Chongnyon), arrived here today to visit the socialist motherland.

He was greeted at the airport by Kim Su-ik, general director of the General Bureau of Reception for Overseas Compatriots, and other officials concerned.

DPRK: Chongnyon Official Decries Japanese Official's Remarks

SK0607082196 Pyongyang KCNA in English
0723 GMT 6 Jul 96

[FBIS Transcribed Text] Tokyo July 4 [date as received] (KNS-KCNA) — Seisuke Okuno, ex-minister of justice of Japan, reiterated "comfort women for the Army" were involved in "commercial activity".

Sin Hui-ku, director of the social department of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), published a statement denouncing his remarks that distort the truth on July 3.

Sin said that Okuno's remarks were another unbearable challenge to the Asian countries and nations, including the Korean nation, which were victims of the colonial policy and aggression on the part of the Japanese imperialists.

Without the liquidation of the past, he said, there cannot be peace and amity in future.

He urged the Japanese Government to make efforts for the normalization of relations between the DPRK and Japan and make a sincere apology and compensation for the Japanese imperialists' colonial domination in the past.

DPRK: Trade Delegation Departs for Japan; Russian Group Arrives

SK0607115096 Pyongyang KCNA in English
1132 GMT 6 Jul 96

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — A delegation of the General Federation of Trade Unions of Korea led by Yi Chin-su, vice-chairman of its central committee, left here today by air to visit Japan.

A delegation of the Far Eastern Academy of Civil Servants of Russia led by Professor Vitali Mikhailovich Kortas [name as received] arrived here today by train.

Mun Myong-cha, a woman journalist in the United States, arrived here.

DPRK: Kim Chong-u Attends Russian Embassy Friendship Function

*SK0607045096 Pyongyang KCNA in English
0358 GMT 6 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — A friendship gathering was held at the Russian Embassy in Korea Friday to mark the 35th anniversary of the signing of the treaty on friendship, cooperation and mutual assistance between Korea and Russia.

Invited to it were Vice-Minister of Foreign Affairs Yi In-kyu, vice-chairman of the State External Economic Affairs Commission Kim Chong-u, vice-chairman of the DPRK Radio and TV Broadcasting Committee Yi Pong-hui, who is chairman of the Korea-Russia Friendship Association and officials concerned.

Speeches were exchanged at the gathering.

DPRK: WPK Delegation's Activities in Vietnam Reviewed

*SK0607091796 Pyongyang Korean Central
Broadcasting Network in Korean 0100 GMT 4 Jul 96*

[FBIS Translated Text] A delegation of the Workers Party of Korea (WPK) led by Hwang Chang-yop, secretary of the WPK Central Committee, stayed in Vietnam from 27 June to 2 July.

On 28 June, the delegation participated in the Eighth Congress of the Vietnamese Communist Party (VCP). The head of the delegation delivered a congratulatory speech at the congress. On the evening of 28 June, the delegation attended a banquet hosted by the secretary of the VCP Hanoi Municipal Committee.

The delegation visited the tomb of Ho Chi Minh and laid a wreath before the tomb.

On 30 June, the delegation inspected the city of Haiphong.

On 1 July, the head of the delegation met with Wen Jiabao, alternate member of the Political Bureau of the CPC Central Committee and secretary of the CPC Secretariat, who led the CPC delegation participating in the Eighth VCP Congress as the deputy chief.

Wen Jiabao stated: It is an invariable policy of the CPC to defend and strengthen the traditional friendship between the PRC and the DPRK. Together, we hope to continue to increase the exchanges between the leaders [chidojndul] and peoples of the two countries, strengthen exchanges and cooperation, and promote the unceasing development of friendship between the two parties and

the peoples of the two countries. We are happy that the DPRK people are continuing to implement the lifetime will of President Kim Il-song, overcoming surrounding difficulties and achieving great advances under the leadership of the WPK headed by Comrade Kim Chong-il.

On the evening of 1 July, the delegation was invited to a banquet hosted by the VCP Central Committee to celebrate the party congress.

DPRK: Military Attaches Corps Sends Kim Chong-il Letter

*SK0607091596 Pyongyang KCNA in English
0847 GMT 6 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — The great leader Comrade Kim Chong-il received a letter from the military attaches corps in Pyongyang on the occasion of the second anniversary of the death of the great leader President Kim Il-song.

The letter was handed to an official concerned by Vietnamese military attache Tran Phuc on behalf of the military attaches corps today.

Tran Phuc said on the occasion:

"I express deep wholehearted condolence to Comrade Kim Chong-il, supreme commander of the Korean People's Army (KPA), on behalf of the military attaches corps, on the 2nd anniversary of Comrade President Kim Il-song, the great leader of the Korean people and great friend of the revolutionary people of the world.

"Over the past period since his unexpected death, Comrade Marshal Kim Chong-il has wisely led the party, the people and the army, true to the president's revolutionary cause.

"We sincerely wish the KPA supreme commander greater victory in his leadership over the party, the people and the army.

"The members of the military attaches corps wish him a long life in good health. [quotation marks as received]

DPRK: Kim Chong-il Meets Builders of Kumsusan Memorial Palace

*SK0907235896 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 9 Jul 96*

[FBIS Translated Text] Comrade Kim Chong-il, supreme commander of the Korean People's Army (KPA), met and posed for commemorative pictures with People's Army officers, men, and shock brigade members of the party who had participated in construction of the Kumsusan Memorial Palace.

On 9 July, on the occasion of the second anniversary of the death of the respected and beloved leader [suryongnim], Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, chairman of the DPRK National Defense Committee, and supreme commander of the KPA, met and posed for commemorative pictures with the People's Army officers, men, and shock brigade members of the party who had participated in the construction of the Kumsusan Memorial Palace.

When Supreme Commander Comrade Kim Chong-il arrived at the studio, People's Army officers, men, and shock brigade members of the party gave cheers and a storm of hurrahs. They also gave him an enthusiastic welcome, shouting such slogans as "Let us defend to the death the nerve center of the revolution headed by the great Comrade Kim Chong-il [widaehan kimjongil tongjirul subansuro hanus hyongmyongui sunoebu]" and "Death-defying protection."

Comrade Kim Chong-il received a fragrant bouquet bearing the People's Army officers, men, and builders' boundless respect for and admiration of him. Comrade Kim Chong-il raised his hand to the soldiers and builders to warmly return their welcome.

Present at the meeting were Comrade Cho Myong-nok, vice marshal of the KPA and director of the KPA General Political Bureau; Comrade Kim Yong-chun, vice marshal of the KPA and chief of the KPA General Staff; Comrade Kang Sok-sung, director of the Party History Institute of the Workers Party of Korea (WPK) Central Committee; Comrade Kim Tae-ho, vice director of the institute; Comrades Hyon Chol-ha and Kim Hak-hye, generals of the KPA; Comrade Pak Chae-kyong, colonel general of the KPA; and other KPA generals.

Comrade Kim Chong-il highly assessed the proud results of the struggle and the valuable loyalty of the People's Army officers, men, and shock brigade members of the party, who registered feats in constructing Kumsusan Memorial Palace with the iron will and sublime moral to uphold the great leader [suryong] Comrade Kim Il-sung, the progenitor of socialist Korea and the sun of chaucha, forever through generations. He then posed for commemorative pictures with them.

All the meeting participants were filled with the fervent resolution to complete the chaucha revolutionary cause pioneered in the dense forests of Mt. Paektu, firmly united around the respected and beloved Supreme Commander General Kim Chong-il, upholding the red banner of the revolution, which the great leader [suryongnim] had protected during his lifetime.

DPRK: Moscow Meeting Marks Anniversary of Kim Il-sung's Death

SKD607082796 Pyongyang KCNA in English
0710 GMT 6 Jul 96

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — A memorial meeting commemorating the second anniversary of the great leader President Kim Il-sung was held in Moscow on July 2 under the sponsorship of the Union of Communist Parties-the Communist Party of the Soviet Union.

Present there were Oleg Shenin, chairman of the Council of the Union of Communist Parties-the Communist Party of the Soviet Union, members of the Russian Society for Friendship and Cultural Cooperation With the DPRK, war veterans, generals on active service, retired generals, scholars, writers, journalists and citizens.

Oleg Shenin said in his report that President Kim Il-sung was a peerlessly great man, a distinguished leader and a great man.

The communists of Russia and the communists all over the world as well as the Korean people should fulfil their obligation so that the August name, exploits and cause of President Kim Il-sung will live forever in the heart of humankind.

A letter of the Council of the Union of Communist Parties-the Communist Party of the Soviet Union to the great leader Comrade Kim Chong-il was adopted at the meeting.

DPRK: Choe Kwang, Military Leaders Attend Anniversary Symposium

SKD607084296 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 5 Jul 96

[FBIS Translated Text] A symposium of the Ministry of the People's Armed Forces was held at the 25 April House of Culture on July 4 to vow to discharge the mission and duty as soldiers and disciples of the leader [suryongnim] on the second death anniversary of the great leader Generalissimo Kim Il-sung.

Present at the symposium were Comrade Choe Kwang, member of the Political Bureau of the Central Committee of the Workers Party of Korea and minister of the People's Armed Forces; Comrade Cho Myong-nok, vice marshal of the Korean People's Army (KPA) and director of the General Political Department of the KPA; and Comrade Kim Kwang-chin, KPA vice marshal and first vice minister of the People's Armed Forces, responsible functionaries, general-grade officers and officers of the Ministry of the People's Armed Forces.

At the symposium, KPA Vice Marshal Cho Myong-sok, Vice Marshal Kim Kwang-chin, General Kim Ha-kyu, and Colonel General Pak Chae-kyong spoke on the subjects of "Upholding the great leader Comrade Kim Il-song forever as the leader of eternal life is the most noble morality and fidelity of our people and soldiers of the People's Army"; "Resolutely defending, adhering to, and adding luster to the immortal army-building achievement of the great leader Comrade Kim Il-song is the sublime revolutionary duty of our officers and men of the People's Army"; "Thoroughly implementing the behests and teachings of the great leader Comrade Kim Il-song is the basic requirement of loyalty to the leader"; and "Upholding the leadership of the respected and beloved supreme commander Comrade Kim Chong-il with wholehearted loyalty and filial dutifulness is a decisive guarantee to inherit and complete the great leader's revolutionary cause."

The speakers said that our people and the soldiers of the People's Army are wishing for the leader's eternal life with the purest mind, heart-piercing adoration, and boundless reverence for the fatherly leader. With the passage of days and years they feel more keenly how great was the national glory and happiness of upholding the great leader Comrade Kim Il-song as the leader.

The speakers stressed that the great leader Comrade Kim Il-song is the founder of socialist Korea, the sun of *chuche* that opened a new era of independence, and the benevolent father of the people who devoted all his energy and efforts throughout his life to his motto of serving the people like heaven and who provided our people with the truest rewarding lives and happiness.

The speakers said that resolutely defending, adhering to, and adding luster to the immortal army-building achievement made before the times and history by the great leader Comrade Kim Il-song, who led our revolutionary armed forces along the single road of victory and glory for over 60 years, is the most sublime revolutionary duty of the officers and men of the People's Army, the soldiers and disciples of the leader.

The speakers highlighted the need to thoroughly guarantee the purity of the feats of the great leader in army building, as well as their eternal vitality as valuable revolutionary wealth for accomplishing the cause of army building.

The speakers stressed that the respected and beloved supreme commander Comrade Kim Chong-il is the supreme incarnation of the loyalist and dutiful child who is boundlessly loyal to the great leader, and an outstanding leader (*yongdoja*) who always leads the leader's revolutionary cause along the ever-victorious road. They noted the need to uphold the leadership

of the comrade supreme commander with wholehearted loyalty and filial dutifulness.

The speakers said that all the functionaries and soldiers should abide by their pledge made before the spirit of the great leader, rally more firmly around the respected and beloved comrade supreme commander, and wage a vigorous struggle to fulfill the cause of the country's reunification and the *chuche* revolutionary cause.

DPRK: Ministry Shows Film on Kim Il-song to Military Attaches

SK0607051996 *Pyongyang KCNA in English*
0345 GMT 6 Jul 96

["Film Show Held by Ministry of People's Armed Forces Film Show Held by Ministry of People's Armed Forces" — KCNA headline]

[FBIS Transcribed Text] *Pyongyang, July 6 (KCNA)* — The Ministry of the People's Armed Forces held a film show for foreign military attaches here Friday on the occasion of the second anniversary of the great leader President Kim Il-song.

Present there were Gen. O Yong-bang, other generals and officers of the Korean People's Army.

The participants saw "The Great Leader Comrade Kim Il-song Will Always Live in the Hearts of Humankind", the third part of the documentary film "The Great Leader Comrade Kim Il-song Is Immortal".

Vietnamese Military Attache Tran Phuc, who is also doyen of the military attaches corps, said that the revolutionary exploits of President Kim Il-song, the great leader of the Korean people and a great friend of the world people, are immortal.

He hoped that the people and People's Army of Korea would achieve bigger successes in the struggle for socialist construction and national reunification under the wise leadership of Comrade Kim Chong-il.

DPRK: Foreigners Visit Kumsusan Palace, Praise Kim Il-song

SK0607082896 *Pyongyang KCNA in English*
0733 GMT 6 Jul 96

[FBIS Transcribed Text] *Pyongyang, July 6 (KCNA)* — Political and public figures of the world visited the Kumsusan Memorial Palace where the great leader President Kim Il-song is preserved in state to express their reverence for him.

Garib Newaz, president of the Bangladesh People's League, said: "There are many great men in history, and countries and nations that do not forget them. But

there is no such people as the Koreans who always hold their leader in high esteem and live in perfect harmony with him."

Govind Narain Srivastava, secretary general of the Asian Regional Institute of the Chuche Idea, noted that President Kim Il-song was an outstanding thinker and theoretician, a tender-hearted father with noble characters and virtues and a great leader of the progressives all over the world.

James Jackson, president of the U.S. Benevolent Brotherhood Foundation, wrote in the visitor's book that President Kim Il-song achieved great success with warm love for the people in his lifetime, so that he still enjoys their respect as the recognized leader.

Jorge Lezcano Perez, member of the Political Bureau of the Central Committee of the Communist Party and chairman of the International Relations Committee of the National Assembly of the People's Power of Cuba, said that the idea of Comrade Kim Il-song is always a banner of victory to the people who are against imperialism.

Ngoy Nduba Kamatanga, secretary general of the Lumumba Democratic Party of Zaire, expressed the belief that the cause of independence of humankind and the reunification of Korea will certainly be realised, as wished by President Kim Il-song in his lifetime.

DPRK: Czech Party Leader Marks Kim Il-song Death Anniversary

SK0607082496 Pyongyang KCNA in English
0707 GMT 6 Jul 96

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — Miroslav Stepan, general secretary of the Central Committee of the Czechoslovak Party of Communists, called at the Korean Embassy in Prague on the occasion of the second anniversary of the great leader President Kim Il-song.

The general secretary and members of the party leadership laid flowers before a portrait of President Kim Il-song and expressed deep reverence for him.

The general secretary said that President Kim Il-song was not only the great leader of the Korean people but also an outstanding leader of the international communist movement and labour movement. His idea and exploits give confidence and encouragement to the members of the Czechoslovak Party of Communists who are fighting for the restoration of socialism, he added.

He sincerely hoped that the Workers' Party and people of Korea under the guidance of the respected Comrade

Kim Chong-il would make great successes in their work to accomplish the revolutionary cause of President Kim Il-song.

DPRK: New Postage Stamps Mark Second Anniversary of Kim's Death

SK0607072796 Pyongyang KCNA in English
0712 GMT 6 Jul 96

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — The ministry of post and telecommunications of the DPRK issued new postage stamps on the occasion of the 2nd anniversary of the great leader President Kim Il-song.

They include three kinds of stamps portraying the Kumsusan Memorial Palace in which President Kim Il-song is preserved in state and people from different social strata visiting Mansu Hill on which his statue stands.

Also included in them is a stamp showing the Kumsusan Memorial Palace, the supreme temple of chuche, against the background of magnolia, the national flower of Korea, and words of the song "The Leader Will Always Be With Us."

Carried in each stamp are the words "The Great Leader Comrade Kim Il-song Will Always Be With Us."

DPRK: WPK Publishing House Issues Volume 54 'Among the People'

SK0607082396 Pyongyang KCNA in English
0715 GMT 6 Jul 96

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — The Workers' Party of Korea Publishing House has recently brought out a collection of reminiscences "Among the People" Vol. 54 to commemorate the 2d death anniversary of the great leader President Kim Il-song.

The volume contains 17 items of reminiscences, which deal with the clairvoyant wisdom and rare leadership ability of President Kim Il-song, who effected new turns in the nation's economic affairs, always finding himself among the workers and people of other strata.

The reminiscences "How First Electric Railways Were Laid in Our Country" tells that the president proposed a project of Kaego-Koin and Yangdok-Chonsong railways electrification in September 1948 and led it wisely.

Edited in the volume are reminiscences telling of the energetic activities of the president, who visited rural communities day and night so as to increase the production of grain and provide the farmers with better living conditions.

"My Father's Life Under Trust" and "Exalting a Soldier's Achievements" and other reminiscences show the noble traits of the president, who took warm care of ordinary people and trained them to be leading officials of the revolution and heroes and heroines.

DPRK: Daily Observes Kim Il-sung's Death Anniversary

SK1007020996 *Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 7 Jul 96*

(NODONG SINMUN 8 July editorial: "Let Us Endlessly Add Luster to the Cause of the Great Comrade Kim Il-sung Under the Party's Leadership")

[FBIS Translated Text] The chuche revolutionary cause, to which the great leader Comrade Kim Il-sung devoted his whole life, is a glorious cause that victoriously advances forever. Although the respected and beloved leader Comrade Kim Il-sung, the great pioneer of the chuche revolutionary cause, passed away, this cause is still being brilliantly inherited and consummated by our faithful party and people.

Under the solemn circumstances in which the entire party, the entire Army, and all of the people are staunchly fighting in the spirit of the arduous march, firmly uniting around the great leader [yongdoja] Comrade Kim Chong-il, today, we greet the second anniversary of the death of the respected and beloved leader Comrade Kim Il-sung.

The 8th of July, the day when the great leader Comrade Kim Il-sung passed away, is the nation's supreme memorial day. The respected and beloved leader Comrade Kim Il-sung is the great leader whom our nation greeted and upheld for the first time in its 5,000-year history. He is also the benevolent father of our people and the eternal sun of chuche.

For our people who formed an inseparable unity with the great leader Comrade Kim Il-sung, their loss of the leader [suryongnim] was the greatest loss and we came to have the most supreme state funeral in the 5,000-year history. Now, our people keenly feel with all their hearts that they have been carrying out the revolution, upholding the great leader [widathan suryong]; they are overflowing with infinite reverence, portraying the benevolent image of the leader in their minds.

For our people, the 8th of July is not a mere memorial day. It is the day on which they solemnly swear to renew their iron-like faith and will to defend the leader's behest to the end.

Our people are the faithful people who resolutely keep the oath that they made before the spirit of the departed great leader. They are also the pure people who are

fighting, cherishing the sense of obligation toward the leader deep in their hearts, no matter what difficulties they may face. Burning in the hearts of our people are the firm determination and oath to defend the great leader's [suryongnim] ideology and cause to the end and to add luster to the gains of the revolution provided by the leader [suryongnim] generation after generation.

In the history of the revolutionary struggle of our party and people, the day, the 8th of July, like the memorial day of all nations, will become the day of oath to more firmly deepen their faith to consummate the chuche revolutionary cause to the end.

The past two years since the great leader Comrade Kim Il-sung passed away have been the days during which unity between the leader [suryongnim] and the people has been more firmly deepened and our people's infinite trust toward the leader has been highly enhanced. There is no (limit) in our people's mind of revering the fatherly leader [suryongnim]. Our people have cherished the memory of the great leader in their unique way [toktukhan pangsiguro] and upheld him with reverence without being tied to the existing custom.

Our people's infinite loyalty and filial piety of invariably trusting and following the leader [suryongnim] as the sun of chuche and as the pillar of mind all the times—when he was alive and after he passed away—are amazing the people of the world.

The past two years have been the significant days during which the leader's [suryongnim] cause has been firmly safeguarded and defended under the wise leadership of the great leader [yongdoja] Comrade Kim Chong-il.

The great leader Comrade Kim Chong-il has indicated: Upholding the fatherly leader Comrade Kim Il-sung's behest, our people are struggling, further making strenuous efforts for a new victory, under the party's leadership.

A leader's [suryong] greatness lies in the loftiness of his cause. A leader is to live eternally together with the cause to which he devoted his whole life.

The internal and external situation of our revolution in the past two years was very difficult and complicated. The imperialists and reactionaries have viciously schemed to crush our own style of socialism. And there have been many trials and difficulties before us. However, our revolutionary cause has not witnessed any failure and frustration.

It is a miraculous fact unprecedented in history that under the condition that the elections of the supreme guiding organs of the party and the state have not been conducted, the leader's [suryong] cause has been steadily

carried on without any political vacuum or slight social instability. [tanggwǎ kukkaui choego chidogigwan songoga chishaeng toejianun chogoneso chongchijok kongbaegina sasohan sahoejok puranjongdo opai suryongui wiolli kukkusi iojo wattanungoson yoksaе yurega omnun kyongijogin sasrida]

Because the leader's [suryong] cause is noble and because the leader [yongdoja] is great, the proud reality of today has been able to be unfolded.

The cause of the great leader [widaehan suryong] Comrade Kim Il-song is an immortal cause because of the loftiness of its ideology. A great leader [widaehan suryong] possesses a lofty ideology and philosophy. From early on, the great leader [widaehan suryong] Comrade Kim Il-song embroidered the most lofty ideology on the canvas of the red flag of the revolution and pioneered the glorious chuche cause.

Throughout his whole life, the leader's [suryongnim] ideology was a chuche-oriented ideology to realize the independence of the popular masses. The loftiness of the cause of the great leader [widaehan suryongnim] lies in fully blooming the desire of the popular masses to become masters of their fate and in constructing the new world of mankind, which is free from exploitation, oppression, domination, and subordination. The great leader [widaehan suryongnim] devoted all efforts to this cause day and night and ended a brilliant life on this road.

The cause of the great leader [widaehan suryong] Comrade Kim Il-song is a cause of justice. This cause plowed through all kinds of storms of history because of the loftiness of its ideology; and it is receiving people's absolute support and sympathy as time goes by.

Indeed, the chuche cause is a cause representing the future and true life of mankind. And the nation's prosperity lies in this glorious cause. This is the consistent intention of the people of our era.

The great leader [widaehan suryong] Comrade Kim Il-song pioneered the most sacred revolutionary cause in the history of mankind and brilliantly elucidated its future. Therefore, he is living eternally as the sun of chuche.

The cause of the great Comrade Kim Il-song is an invincible cause victoriously advancing according to the infinite strength of the popular masses. The invincibility of the leader's [suryong] cause lies in the strength of chuche, which is its driving force. The chuche revolutionary cause has been victorious by plowing through all kinds of trials of history through the mighty strength in which the leader [suryong] and people are united as one.

The great leader [widaehan suryong] Comrade Kim Il-song always went into the people, motivated the people's strength to lead the revolution, and the people firmly united around the leader [suryongnim], thus, dauntlessly plowed through all kinds of difficulties and moved forward.

During these historic days, the cause of the leader [suryongnim] became the cause of the popular masses themselves, and our people grew up to become the strong main force of the revolution. Today, our people's faith in the chuche revolutionary cause is becoming all the more firm. Even though the world changes tens of hundreds of times, adhering to the chuche revolutionary cause to the end is our people's ideological and spiritual trait.

Our people can endure any kind of hardships; are the revolutionary people who devote to the revolutionary cause; and are the resolute people who struggle uncompromisingly with even a small element that is trying to damage the leader's [suryong] cause.

Our people's high revolutionary spirit and devotedness which are being highly manifested in today's arduous march are an example of the perfect faith that apart from the chuche cause, we cannot live and neither fate nor future exists. The respected and beloved leader's [kyongachanun suryongnim] revolutionary history that is full of glory is continuously running because the great people who are endlessly loyal to the chuche revolutionary cause exist.

The cause of the great leader [widaehan suryong] Comrade Kim Il-song is a cause with a bright future pressing hard on the heels of the enemy in conformity with the eternal foundation of the revolution. The cause of the leader [suryong] is inherited and completed not on an empty land but on the foundation of achievements accomplished by the leader [suryong].

Throughout his revolutionary life, with his outstanding farsightedness, the great leader [widaehan suryong] Comrade Kim Il-song provided all assets to complete the chuche revolutionary cause to the end.

Thanks to the wise leadership of the respected and beloved leader's [kyongachanun suryongnim], we were able to have a chuche-oriented revolutionary party, the organizer and the leader [hyangdoja] of all victories; an invincible revolutionary force capable of defeating any strong enemy; and a strong self-reliant national economy that can walk on its own.

There is no great man like our leader [suryongnim] who carried out all works that he could do to complete our revolutionary cause and handed down exceedingly lofty revolutionary legacies.

Today, our people feel more keenly with each passing day how great the assets provided by the respected and beloved leader Comrade Kim Il-song are. Because there are the gains of the revolution provided by the great leader [suryongnim], our minds are always stable; we are not afraid of any powerful enemies; and we are braving difficulties with firm faith.

Our people are the people who enjoyed infinite happiness thanks to the leader's [suryongnim] benevolence when he was alive. They are also the people who are enjoying a rewarding life even after the leader passed away.

As long as there is the foundation for the ages provided by the leader, our revolutionary cause will victoriously advance, breaking through any storms and surmounting hardships.

The chuche revolutionary cause, to which the respected and beloved leader Comrade Kim Il-song devoted during his lifetime, is being brilliantly inherited and consummated by the great leader [yongdoja] Comrade Kim Chong-il.

The inheritance of the revolutionary cause is synonymous with the inheritance of leadership. The cause of the leader [suryong] is invariably inherited as the cause of the successor. Herein lies the final victory of the revolution. The chuche revolutionary cause is a glorious cause that has been carried forward, upholding the leader [yongdoja] who has been faithful to this cause since a long time ago.

Since his early days, the respected and beloved leader Comrade Kim Chong-il has led the chuche cause together with the leader [suryongnim]. The ideal of the great leader [suryongnim] is precisely the ideal of the respected and beloved Comrade Kim Chong-il; the tradition founded by the leader [suryongnim] is precisely the tradition of the general; and the achievements of the leader [suryongnim] are synonymous with those of the general.

The recent history of the great leader [suryongnim] to consummate the chuche revolutionary cause completely accords with the 30-odd-year history of the respected and beloved general's leadership.

Today, our people firmly believe that the great leader [suryongnim] is precisely the respected and beloved Comrade Kim Chong-il and that the leader's [suryongnim] cause is synonymous with the general's cause.

The great leader [yongdoja] Comrade Kim Chong-il is the supreme model of loyalty and filial piety that infinitely adds luster to the respected and beloved

leader's [suryongnim] cause with his lofty sense of morality and obligation.

Morality and a sense of obligation are a lifeline in inheriting and consummating the leader's [suryong] cause. Lessons of history have shown that those who swallowed up their leader's [suryong] cause were, without exception, the betrayers who lack morality and a sense of obligation. One's attitude toward the leader's [suryong] cause is finally linked to his sense of morality and obligation toward the leader [suryong].

Upholding the great leader [suryongnim], the supreme representative of the preceding generation of the revolution, with a more fervent sense of obligation than when he was alive is precisely the firm will of the respected and beloved Comrade Kim Chong-il. The Great Comrade Kim Chong-il has built the Kumsusan Memorial Palace into the supreme sacred place of chuche and respectfully upheld the leader [suryongnim] as he was while he was alive, and he has made all possible efforts to glorify the revered name of the leader [suryongnim] and his immortal achievements.

The Workers Party of Korea is the party of the great leader Comrade Kim Il-song. It is none other than Comrade Kim Chong-il who has elucidated the way that makes it possible to adhere to and consummate the leader's [suryongnim] ideology and cause by publishing many classical works, including the work, "Respecting Revolutionary Seniors Is Revolutionaries' Lofty Morality and Obligation." The leader [yongdoja] who has led the people to treasure and glorify everything that is associated with the leader's [suryongnim] historical leadership is also none other than Comrade Kim Chong-il.

The past two years have been the significant days during which all tasks in the revolution and construction have been unfolded and successfully carried out according to the respected and beloved Comrade Kim Chong-il's noble view on communist morality.

With his lofty morality and sense of obligation, the respected and beloved Comrade Kim Chong-il who is invariably upholding the great leader [suryongnim] have more firmly bestowed upon our people the firm faith that the leader [suryongnim] is with us forever.

Our people who follow the lofty moral features of the great Comrade Kim Chong-il now take pride in being the people who know how to uphold their leader [suryong] and who know how to keep their obligation toward their leader [suryong] wherever and whenever. Our people's thought and practice are characterized by morality and a sense of obligation from the beginning to the end, and their lofty morality and sense of obligation are firmly prevailing in all fields of life in our society.

The cause of the leader [suryong] is inherited with absolute purity because the leader's [yongdoja] morality and sense of obligation are lofty and because the people's moral features are noble.

The great Comrade Kim Chong-il [widaehan kimjongil tongji] is an outstanding leader [yongdoja] who, with extraordinary ability and quality, has guided the entire party, the entire Army, and all the people to accomplish the cause initiated by the respected and beloved leader [kyongaeahanun suryong].

The cause of the leader [suryong] can be brilliantly achieved by a great man with outstanding ability. The leadership of a great man, who is equipped with the abundant experience achieved during the revolutionary struggle and with a brilliant disposition, is a source that can turn misfortune into a blessing and adversity into an advantage, carrying forward the revolution to victory.

As the leader [yongdoja] of our party and as the supreme commander of the Korean People's Party, the respected and beloved Comrade Kim Chong-il [kyongaeahanun kimjongil tongji] has a tight grip on [tuntunhi turojwigo] the overall work of the party and the revolution, and has wisely led the struggle to implement the behests of the great leader [widaehan suryong] at its head.

The strategy and tactics to defend our own style of socialism have been set forth by the respected and beloved Comrade Kim Chong-il [kyongaeahanun kimjongil tongji]. The struggle to implement them has been brought to brilliant fruition by the tested and energetic leadership of Comrade Kim Chong-il.

The outstanding leadership traits of the great Comrade Kim Chong-il [widaehan kimjongil tongji] can be clearly seen from his endless on-the-spot guidance, which is aimed at being with the people.

The great Comrade Kim Chong-il [widaehan kimjongil tongji] is energetically leading the work of the various sectors of the revolution and construction in the same way the respected and beloved leader [kyongaeahanun suryong] did during his on-the-spot guidance. The on-the-spot guidance of the respected and beloved Comrade Kim Chong-il brilliantly shines at all the places he has visited, including the guard posts of People's Army and the construction sites of the power plant, which are permeated with the great leader [widaehan suryong].

Through the respected and beloved general's on-the-spot guidance, our people have warmly felt the warm solicitude of the leader [yongdoja] who has visited them and have embraced them through rain or snow.

The on-the-spot guidance of the respected and beloved Comrade Kim Chong-il [kyongaeahanun kimjongil

tongji] is an immortal course based on unfailing loyalty and devotion to the revolutionary cause of the leader [suryong] and the tireless efforts for its completion.

Saying he will visit wherever the soldiers and officers of our People's Army and our people live and work, the great Comrade Kim Chong-il [widaehan kimjongil tongji] visited the guardposts at the front, risking his life, and even visited far and rugged out-of-the-way places. Endlessly creating the revolutionary episodes, the great Comrade Kim Chong-il waged sleepless and restless efforts. His leadership trait is the greatest example of the popular leader [inminjok yongdoja].

The on-the-spot guidance of the respected and beloved Comrade Kim Chong-il [kyongaeahanun kimjongil tongji] is an encouraging banner inspiring the entire party, the entire Army, and all the people to a new struggle and cause. Through Comrade Kim Chong-il's on-the-spot guidance, our people came to have confidence and optimism in certain victory and are overflowing with boundless pride in fulfilling the revolution under the bosom of the great leader [widaehan yongdoja].

Nothing can defeat the might of harmonious unity between the leader [yongdoja] and the people that has been cemented during the days of the on-the-spot guidance of the respected and beloved Comrade Kim Chong-il [kyongaeahanun kimjongil tongji].

The great leader [widaehan yongdoja] Comrade Kim Chong-il is an iron-willed brilliant commander who resolutely defends and adheres to the respected and beloved leader [kyongaeahanun suryong] with matchless grit and firm revolutionary principles.

The cause of the leader [suryong] can march ahead amid fierce struggles against the imperialists and reactionaries. The lifeline of the revolution depends on the leader's [yongdojaui] determination and will.

It is the invariable position of the respected and beloved Comrade Kim Chong-il [kyongaeahanun kimjongil tongji] to resolutely smash the imperialists and the enemies of the revolution and to determinedly defend and adhere to the cause of the great leader [widaehan suryong]. The great Comrade Kim Chong-il [widaehan kimjongil tongji] has strongly confronted the outright military threats of the imperialists and has repelled the conciliatory strategy of the enemies with revolutionary principles. Over the past two years, all difficulties have been overcome in the revolution, and the might of our socialist country has been fully demonstrated by the matchless grit and iron will of the respected and beloved Comrade Kim Chong-il [kyongaeahanun kimjongil tongji].

The grit of the great Comrade Kim Chong-il [widaehan kimjongil tongji] is an unrivalled grit that shows there is no one in the world that can defeat him when is determined to risk his life, and his will is an iron will that shows he will unfailingly carry out whatever he intends to do no matter what.

Because the respected and beloved Comrade Kim Chong-il [kyongachanun kimjongil tongji] stands at the head of our revolution, the red flag fraught with the great leader's [widaehan suryongnimui] life flutters continuously and vigorously.

The red flag which the great Comrade Kim Chong-il [widaehan kimjongil tongji] raises aloft is the red flag that the leader [suryongnim] raised aloft from the time of the Down-With-Imperialism Union [DIU], and is the ever-victorious banner in which the sublime ideal of the completion of the chuche cause dwells.

Our people learned Comrade Kim Chong-il's great philosophy of inheritance, and learned the philosophy of the red flag, from the red flag of the revolution. They have engraved in their hearts the faith that as long as they follow the leadership of the general, then they can brilliantly complete the leader's [suryongnimui] cause, which was pioneered in the Paektu forest.

Because we uphold the great leader [widaehan yongdoja] Comrade Kim Chong-il, the history of our revolution will shine forever as the glorious history of the red flag and the history of the completion of the chuche revolutionary cause.

Today, we have a heavy and honorable task to uphold the great leader [widaehan yongdoja] Comrade Kim Chong-il and to inherit and fulfill the respected and beloved leader's [kyongachanun suryongnimui] revolutionary cause.

The great leader [widaehan yongdoja] Comrade Kim Chong-il has noted: We must adhere to and add further luster to the popular mass-centered socialism of our own style, which was provided by the respected and beloved Comrade Kim Il-song, and will fulfill the chuche socialist cause.

We will soon mark the 70th anniversary of the formation of the DIU by the great leader [widaehan suryong] Comrade Kim Il-song. Under the banner of the DIU, our revolution has progressed quite far. We have been able to reach a high peak of socialism. Nevertheless, we must still tread the long path of the revolution, and there will be many difficulties and trials along our way.

No matter how far and rugged the road of our revolution may be which the great leader [widaehan suryong] Comrade Kim Il-song pioneered and led, we must abide

by Comrade Kim Il-song's behest and firmly follow that road. This is the unshakable faith and will of all our party members, officers and men of the People's Army, and people.

Above all, we must cherish deep in our hearts the slogan "The great leader [widaehan suryong] Comrade Kim Il-song is with us forever," and forever uphold the leader [suryongnim] as the eternal sun of chuche and as the father of the nation.

The minds of the people who absolutely adore and follow the leader [suryong] become warmer with the passage of time. Adoration for the leader [suryong] without the limitation of time or the borders of history is true adoration. Ever since we heard the sad news that the great leader [widaehan suryong] Comrade Kim Il-song departed from us so abruptly, our people have always lived and struggled with the leader [suryongnim] as the pillar of our mind.

This absolute adoration remained unchanged on the first anniversary of the leader's [suryongnimui] passing; today, on the second anniversary, it is displayed on an even higher plane.

Our people are creating a shining example for the history of mankind as regards what attitude and position they should adopt to uphold the leader [suryong] who pioneered the road of the revolution for the first time. They are a proud people who brilliantly realized eternal wholehearted unity with the leader [suryong].

We must more highly display this sublime spiritual and moral trait of our people in the future. All party members, officers and men of the People's Army, and working people must uphold the great Comrade Kim Il-song [widaehan kimilsong tongji] as the eternal leader [suryong] of our party and our revolution from generation to generation.

We should more deeply learn the great leader's [widaehan suryongnimui] brilliant career of devoting his life to the country and people, and should struggle to engrave the leader's [suryongnimui] favor and benefit deep in our hearts.

We should persistently keep up and purely inherit the chuche lineage provided by the great leader [widaehan suryongnim] as the lasting asset of our revolution. Based on the chuche lineage, we should accelerate the revolution and construction.

Of the utmost importance to defending, adhering to, and adding luster to the revolutionary cause of the great leader [widaehan suryong] Comrade Kim Il-song is to uphold the leadership of the respected

and beloved Comrade Kim Chong-il [kyongachanun kimjongil tongji].

On the long and glorious road of struggle to inherit and consummate the chuche cause, the cause of the great leader [widachan suryong], the respected and beloved Comrade Kim Chong-il [kyongachanun kimjongil tongji] and our people have achieved a complete and harmonious unity.

The harmonious unity between the leader [yongdoja] and the people, who are united in one ideology and purpose as well as in moral obligation, is a mighty motive power that pushes our revolution ahead. We should endlessly value the harmonious unity between the leader [yongdoja] and the people, and should firmly cement it.

For those who are engaged in the revolution, it is more important to follow the leader [yongdoja] for one day amid difficulties rather than for one hundred days without a hitch. Even if things take a turn for the worse, the faith of a revolutionary should be displayed. No matter how much time passes, the faith of a revolutionary should grow stronger.

Today, the faith and moral obligation toward the leader [yongdoja] beats in the hearts of our party members and working people who are marching along the road of the arduous march. Our revolutionary faith is an absolute faith that the cause led by the respected and beloved Comrade Kim Chong-il [kyongachanun kimjongil tongji] is just, and is a resolute determination to mount the scaffold if it is for the general.

Our revolutionary moral obligation is a clean revolutionary conscience to pay back the benevolence of the respected and beloved Comrade Kim Chong-il as well as a noble awareness to fulfill its duty as soldiers and disciples of the general. We should further cement the faith and moral obligation that has been kept up along the road in order to follow the great leader [widachan yongdoja].

All party members, all officers and soldiers of the People's Army, and all the people should politically and ideologically defend the nerve center of the revolution, headed by the respected and beloved Comrade Kim Chong-il, at the cost of their lives, and should ensure the general's absolute prestige in every way.

Thoroughly implementing the behests of the respected and beloved leader Comrade Kim Il-song is a firm guarantee to consummate the chuche revolutionary cause. In the entire course of our revolutionary life, the great leader Comrade Kim Il-song mapped out all the programmatic guidelines that our party and people should adhere to. Our loyalty toward the chuche cause

can be displayed during the course of implementing the behests of the leader [suryong].

All party members and working people should regard the leader's [suryongnimui] behests as our eternal wealth of ideology, as the spirit of the Kim Il-song nation, and as a powerful weapon of the revolution.

All sectors and units should strenuously wage the work to implement all the teachings given by the fatherly leader. The behests of the great leader [widachan suryong] are brilliantly carried forth by the leadership of the respected and beloved Comrade Kim Chong-il [kyongachanun kimjongil tongji]. Highly upholding the behests of the great leader [widachan suryong], the respected and beloved Comrade Kim Chong-il [kyongachanun kimjongil tongji] has mapped out a grand idea for our fatherland and our revolution, and is waging the struggle to carry it forth at its head.

Comrade Kim Chong-il's idea is the most scientific and wise idea which brings a new phase to the revolution and construction. It is also a grandiose plan that guarantees the eternal happiness of our people and the prosperity of all generations to come.

With far-sighted eyes, outstanding insights, and tested leadership, the respected and beloved Comrade Kim Chong-il [kyongachanun kimjongil tongji] is mapping out the plans of our overall work and is carrying out endless on-the-spot guidance.

Overflowing with a firm confidence and optimism in victory, we should vigorously accelerate socialist construction, seeing the bright future of the fatherland as led by the respected and beloved Comrade Kim Chong-il [kyongachanun kimjongil tongji]. All party members and working people should struggle, having as their motto the respected and beloved Comrade Kim Chong-il's revolutionary view of life that we should live today for tomorrow, not for today.

All sectors and units should highly display the spirit of absoluteness and unconditionality, thoroughly implement the lines and policies set forth by the respected and beloved Comrade Kim Chong-il [kyongachanun kimjongil tongji], and see to it so that the general's intentions and ideas can fully bloom in our reality.

We should concentrate all possible efforts on the struggle to implement the party's revolutionary economic strategy and carry out the economic tasks assigned to us with our own strength and in a responsible manner by displaying the revolutionary spirit of self-reliance and fortitude.

Today's struggle to inherit and consummate the chuche revolutionary cause is difficult and arduous. However,

we will be always victorious, and the day when we will lead a more rewarding and happier life while dignifiedly recollecting today, will come to us without fail.

To brilliantly consummate the chuche revolutionary cause under the respected and beloved Comrade Kim Chong-il's [kyongae-hamun kimjongil tongji] leadership, it is important to strengthen the party, the army, and the youth league.

The party is the guide of the revolutionary cause, the revolutionary Armed Forces are the defender of the party's cause, and the masses of young people are the reliable successors to the revolutionary cause.

With the party strong, the Army powerful, and the youth league strong, there will be no task in this world which cannot be fulfilled.

We should strengthen and develop our party into the party of the great Comrade Kim Il-song [widachan kimilsong tongji] forever. Upholding great Comrade Kim Il-song as the eternal leader [suryong] of our party and carrying out party work according to respected and beloved Comrade Kim Chong-il's ideology, theory, and method! This is precisely the way to strengthen and develop our party into the invincible party guiding the cause of chuche.

We should further enhance the party's leading role in all fields of the revolution and construction and should strengthen the party's combat capabilities by all means.

The People's Army should perform the honorable mission as the main force [churyokkun] in consummating the cause of chuche. The respected and beloved Supreme Commander Comrade Kim Chong-il has energetically led the struggle to strengthen the combat capabilities of the People's Army by visiting frontline areas.

All officers and men of the People's Army should thoroughly establish a revolutionary troop management system in which all troops unanimously move under the respected and beloved comrade supreme commander's leadership and should firmly defend the socialist fatherland by further strengthening their combat and political drills. Thus, they should highly demonstrate the grand appearance as the leader's [suryong] army, the party's army.

Upholding our party's ideology on army-people unity, the Army and the people should strengthen their kindred ties and should firmly safeguard and defend the party's revolutionary cause, Comrade Kim Chong-il's cause, with the united strength of the Army and the people.

Today, the trust and expectation of the party and the leader [suryong] toward young people are very great. Young people are the respected and beloved comrade

supreme commander's reserve combat unit [yebi chon-tubudae], which are a detached corps [pyoltongdae]. The youth league should infinitely add luster to the honor as the youth league upholding the revered name of the great leader [suryongnim] by firmly preparing all young people to become the rifles and bombs which resolutely safeguard and defend at the frontline the respected and beloved General Kim Chong-il.

The chuche revolutionary cause is the sacred cause to completely realize independence of the country and the nation and to build a new world enjoying independence.

We should uphold the great leader Comrade Kim Il-song's behest on reunification and achieve the historic cause of national reunification without fail. Thereby, we should drive out outside forces and thoroughly establish national sovereignty on a nationwide scope [oeserul moranaego chongukchok pomwieso minjokchok chajugwonul cholchohi hwangnip hayoyahanda].

Our party and people will, in the future, too, unite with the revolutionary people of the world who advocate independence under the ideal of independence, peace, friendship; smash the imperialists' maneuvers; and, thus, brilliantly achieve the cause of making the world independent.

Indeed, a long time has passed since the great leader Comrade Kim Il-song pioneered the chuche revolutionary cause. On the road of the protracted and arduous struggle numerous Korean communists and people have fought, devoting the flower of their youth and lives. The life devoted to the cause of chuche is precisely the most noble life and the eternal life.

The practice of our revolution shows that the dignity and honor of revolutionaries, the greatest happiness and joy of human beings, and the genuine value and dignity of life lie precisely in adhering to and defending this cause of chuche. We will continue to vigorously accelerate the historic march to consummate the chuche revolutionary cause in order to lead a noble life as eternal fighters and disciples of the great leader Comrade Kim Il-song.

As long as the great leader Comrade Kim Chong-il stands at the head of the revolution, as long as there are assets for the ages that are achieved by the respected and beloved leader [suryongnim], and as long as there are our people who have become eternal family members with the leader [suryongnim], our revolution's victory is certain.

Our party and people will achieve the final victory of the chuche revolutionary cause without fail under the leadership of respected and beloved Comrade Kim Chong-il.

South Korea

ROK: KEDO, DPRK Scheduled To Sign Protocols on Reactor Accord

SK1007015196 Seoul **YONHAP** in English
0145 GMT 10 Jul 96

[FBIS Transcribed Text] Seoul, July 10 (YONHAP) — The Korean Peninsula Energy Development Organization (KEDO) and North Korea will sign three protocols to the light-water reactor supply agreement in New York Wednesday, an official at the Office of Planning for Light-Water Reactor Project said.

The protocols on privileges, immunities and consular protection, communications and transit which have been initialed will be signed in New York Wednesday by Stephen Borworth, KEDO executive director, and Ho Chong, the North's roving ambassador, according to the official.

"The signing of the protocols, institutionally guaranteeing the personal safety of engineers and entry into and exit from North Korea of personnel and goods, will lay the foundation for the smooth implementation of the light-water reactor project," the official added.

KEDO and North Korean delegates are scheduled, meanwhile, to negotiate another protocol governing the control of reactor building sites and the use of services at a hotel in a resort town near Mt. Myohyang beginning Saturday. It will be the first protocol meeting to be held in North Korea since the reactor negotiations began in 1994.

ROK: U.S. Shows Negative Reaction to Visa-Free Pilot Program

SK0607054796 Seoul **THE KOREA TIMES** in English
6 Jul 96 p 2

[FBIS Transcribed Text] Washington has reacted negatively to Seoul's demand that a pilot program be introduced to enable Koreans to make visa-free travels to the United States for one to three years.

The discussion on visa and trade issues was made at a trade action group (TAG) meeting held yesterday in Seoul. The bilateral consultation meeting was headed by Choe Hyok, director general of the Foreign Ministry's Trade Affairs Bureau, and Minister-Counselor Barbara Griffiths at the U.S. Embassy in Seoul.

The TAG meeting is designed to address a wide range of trade issues between the two countries and play the role of an early warning system to prevent trade issues from developing into major trade wars.

So far, Seoul has sought to sign a visa waiver agreement with Washington but the U.S. government rejected the

request, insisting that it is up to the U.S. Congress to enact relevant laws.

Currently, the visa rejection rate for Korean applicants almost reaches 6 percent. The U.S. government contends that the rate should be lowered to 2 percent before it decides on granting a visa exemption.

Instead of signing a visa waiver pact with Seoul, the U.S. government has made a series of efforts to improve relevant procedures at the American Embassy in Seoul by posting more officials at the visa unit and cutting red tape.

The embassy has already started receiving applications for visa interviews by fax, substantially eliminating the need to make multiple visits to the embassy.

Applicants who were once denied visas are now allowed to immediately reapply if they submit their passports along with a statement explaining their qualifications for a visa. Previously, they were required to wait for 90 days before reapplying.

Applicants aged over 60 are allowed to obtain their visas without having to undergo an interview in the so-called "drop box" system.

Meanwhile, Seoul also called on Washington to introduce "transparency" in imposing the standards of the Food and Drug Administration (FDA) while checking Korean products at customs clearance.

ROK: U.S. Said To Launch 'Retaliation' Against Telecom Sector

SK0807065896 Seoul **THE KOREA HERALD**
in English **8 July 96 p 8**

[FBIS Transcribed Text] Washington is determined to launch trade retaliation against Seoul, unless progress is made on the ongoing bilateral telecom-market talks before July 15, said the Korea Trade-Investment Promotion Agency (KOTRA).

A senior United States Trade Representative (USTR) official has allegedly told Korean government officials in Washington that the U.S. government will designate Korea as a priority foreign country, or PFC, for guaranteeing U.S. telecom-equipment makers legitimate access to the Korean market.

Seoul and Washington have held three rounds of bilateral trade talks this year to narrow their differences on the opening of Korea's telecom equipment procurement market.

The USTR insisted that the Korean government was sticking to a "Buy Korean" policy by skillfully banning

Korea's private telecom- service carriers from purchasing foreign-made equipment.

As Seoul announced a group of new wireless and fixed-line service operators last month, Washington further stepped up its pressures on Korea in an apparent move to ensure more benefits to U.S. telecom- equipment makers.

USTR officials still charge that U.S. telecom equipment makers are completely blocked from entering the Korean market because of rigorous government regulations, while Korean government officials say the government can not interfere with the private-sector procurement process in line with internationally accepted practices.

In a separate move, meanwhile, the USTR designated Germany as a PFC country April 30 of this year in connection with government procurement treaties and held 60 days of intense bilateral negotiations. But Washington suddenly put off the timing of its trade reprisals against Germany from July 1 to Sept. 30.

ROK: SOFA Negotiations Delayed Despite People's 'Ardent Wisher'

SK1007012896 (Internet) The Joong-Ang Ilbo WWW in English 10 Jul 96

[FBIS Transcribed Text] The Status of Forces Agreement (SOFA) is cited as one of the most clear examples of an unfair treaty.

Three decades have passed since the agreement was signed between South Korea and the United States, but negotiations to revise SOFA are being delayed despite the Korean people's ardent wishes to the contrary.

A Foreign Ministry official stated Tuesday, "South Korea and the United States originally agreed to resume the 7th round of working- level negotiations on the revision of SOFA sometime this month in Seoul, but Washington recently notified us that they intend to cancel the planned negotiations, citing 'domestic reasons'."

Washington reportedly told Seoul that they have not yet decided on their final stance on the revision of SOFA as their priorities are on the 4-way talks and the establishment of a liaison office between North Korea and the U.S.

ROK: American To Serve 7 Years for Fatally Injuring Girlfriend

SK0307052596 Seoul YONHAP in English 0458 GMT 3 Jul 96

[FBIS Transcribed Text] Seoul, July 3 (YONHAP) — The Seoul district court on Wednesday sentenced Henry Kevin McKinney, 36, a civilian employee of U.S. Forces Korea, to seven years in prison for inflicting fatal bodily injuries on his live-in Korean girlfriend.

The presiding judge handed out the sentence, saying, "Although the defendant denied committing a criminal act, I find him guilty in light of the outcome of a post-mortem and testimony of the victim's daughter."

Prosecutors had demanded a 15-year term for the American.

McKinney had been accused of having beaten Kang Un-kyong in her chest and face at her Socho-tong apartment in southern Seoul during a heated argument Jan. 18. Kang fell and hit her head and later died of a cerebral hemorrhage.

ROK: U.S.'s Lake Visit 'Unlikely' To Create DPRK Talks Initiative

SK1007013996 Seoul THE KOREA TIMES in English 10 Jul 96 p 2

[By staff reporter Son Ki-yong]

[FBIS Transcribed Text] U.S. National Security Advisor Anthony Lake, who is due here Sunday, is expected to discuss with Seoul officials how to get North Korea to the negotiating table of the four-party peace talks, whose prospects are murky due to North Korea's prolonged inaction.

Lake is scheduled to arrive in Seoul at 2 p.m. for a six-hour stay, during which he will meet his Korean counterpart, Senior Presidential Secretary for Foreign Affairs and National Security Yu Chong-ha, and Foreign Minister Kong No-myong.

The peace talks, proposed jointly by Presidents Kim Yong-sam and Bill Clinton in April, were designed to replace the Korean Armistice Agreement with a new peace mechanism.

However, North Korea has so far given no definite answer to the joint overture, which is the brain child of Lake and Yu.

"Lake and Foreign Minister Kong are expected to discuss a wide range of issues, including rice aid and the security situation on the Korean peninsula, as well as the four-party talks," a Foreign Ministry official said.

However, the official said it is unlikely that Seoul and Washington will work out a fresh initiative in connection with the four-party talks.

"Lake is due to stay here for a few hours, which is too short to engage in in-depth dialogue," the official said.

Furthermore, Lake's Asian tour was focused on mending fences with China because relations between the two countries have been hurt by confrontations over Taiwan, trade disputes, human rights issues and others.

During this Asian tour, Lake is also scheduled to visit Vietnam, Thailand and Japan.

The United States has made efforts to bring China into the proposed peace talks. Under the overture, China is supposed to play a supporting role along with the United States, while South and North Korea play the main roles as the direct parties of a peace system.

However, China has so far refused to commit to participating in the talks, hinting that it would join the talks after North Korea positively responded to the proposal.

Even if Lake raises the issue in his meetings with Foreign Minister Qian Qichen and other Chinese officials, China is unlikely to change its principle on the four-party talks, officials here said.

They said that Seoul is closely monitoring dialogue between Washington and Beijing because it may bring far-reaching consequences to security in the Korean peninsula.

Meanwhile, North Korean issues including the four-party talks will be dealt with at the ASEAN Regional Forum (ARF), a regional security mechanism whose annual ministerial meeting is slated for late this month.

Seoul is currently seeking to organize a three-way foreign ministers meeting with Washington and Tokyo, timed with the ARF sessions. It also proposed holding bilateral meetings with U.S. Secretary of State Warren Christopher and Japanese Foreign Minister Yukihiko Ikeda although the detailed time schedule has not yet been set.

ROK: Paper Views Activities of DPRK Delegation in Japan

SK2706114896 Seoul TONG-A ILBO in Korean
27 Jun 96 p 2

[Report by Tokyo-based correspondent Yi Tong-kwan]

[FBIS Translated Text] Four members of the delegation from North Korea's Research Institute for Peace and Disarmament (chairman: Kim Yon-kil), who arrived in Japan on 24 June at the invitation of the Japan Institute

for International Affairs, a subsidiary of the Japanese Foreign Ministry, showed up wearing Kim Chong-il badges on their lapels. This indicates that the work to prepare for North Korea's power succession has entered its final stage. The greatest significance of the visit by the delegation from the Research Institute for Peace and Disarmament is that it will convey North Korea's wishes to resume negotiations to establish diplomatic relations between North Korea and Japan before the power succession is launched. During the seminars, which were held behind the closed-door between the two sides on 25 and 26 June, the North Korean side expressed discontent, claiming that Japan has not been able to pursue an improvement of relations with North Korea from its own independent position.

Regarding the four-way talks proposal, the North Korean side pointed out: "Why does Japan support only the propriety [tangwisong] of the four-way talks?" They added: "North Korea cannot understand why Japan caused North Korea pain in the past by refusing negotiations on the pretext of the threat of nuclear development. No one knows when the unpleasant feelings of the North Korean people and army will explode." The North Korean delegation emphasized this twice.

Meanwhile, on the afternoon of 26 June, Yi Chol-chin, head of the Japanese affairs section in the North Korean Foreign Ministry, who is visiting as a member of the delegation, secretly met with Besho Goro [name as transliterated], head of the Northeast Asian affairs section in the Japanese Foreign Ministry, to discuss negotiations to bring about diplomatic relations. However, because of differences between the two sides, they failed to bring anything to fruition. During the talks, Yi Chol-chin called for an early resumption of negotiations, while Besho Goro urged North Korea to show a more positive attitude toward accepting the four-way talks.

ROK Daily on DPRK Resumption of Kumgangsan Dam Construction

SK2806143296 Seoul SEOUL SINMUN in Korean
28 Jun 96 p 4

[Report by Ku Pon-yong]

[FBIS Translated Text] The North Korean authorities are again pushing ahead with the construction of the Kumgangsan Dam. This has evoked extraordinary attention because this is the same dam that surprised our people following the announcement by the Fifth Republic about the possibility of North Korea's inundation tactics using the water stored behind this dam. Thus, a great number of people joined the fund-raising campaign in 1986 to build a "Peace Dam" as a means to counter North Korea's inundation tactics.

According to the Ministry of National Unification, in the early 1990's North Korea resumed construction of the dam, which had been suspended, and have recently completed the first-stage of construction. In other words, they completed the construction of the 40-kilometer-long "Sungni Waterway" and other structures.

Kim Chong-il personally visited the spot in mid-June to encourage the builders. His visit coincided with the 10th anniversary of Kim Il-song's setting forth the construction plan for this power station. North Korea began the construction of this dam in 1986 in accordance with what they called their four-point "nature re-making" policy. However, there was no progress in its construction owing to a lack of financial resources for investment and to technical difficulties regarding the gigantic river valley border construction project.

However, this month, which marks the 10th anniversary of the beginning of its construction, North Korea resumed full construction on the dam. This is interpreted as part of their desperate efforts to overcome their pressing situation in which the operational rate of their plants is less than 30 percent.

Meanwhile, as regards the possibility of North Korea's inundation tactics following the construction of the Kumgangsan Power Station, our government feels "this will not serve as a particular threat" because our government's announcement of the volume of water stored behind the Kumgangsan dam in 1986, rumored to be 20 billion tonnes, was exaggerated (the actual maximum water storage is 4.7 billion tonnes). In addition, North Korea readjusted its plan downward in terms of numerical figures due to shortages in their financial resources.

North Korea initially planned to build an extremely large power station with 810,000 kilowatts of production capacity, which is more than the Supung Power Station. However, with limited finances, they readjusted the plan down to 400,000 kilowatts. Nevertheless, people feel it would be difficult for North Korea to achieve even this goal through such primitive methods as mobilizing the manpower of People's Army soldiers on a large scale. A relevant ROK Government official stated: "North Korea tried to draw a tiger at first, but may end up with a cat."

ROK Official Notes More DPRK Diplomacy in Latin America

SK0307234796 (Internet) The Digital Chosun Ilbo WWW in English 1155 GMT 3 Jul 96

[FBIS Transcribed Text] A delegation of the North Korean Supreme Peoples' Council, led by Chairman Yang Hyong-sop, visited five Central and South American nations, namely Cuba, Peru, Colombia, Brazil and Mexico,

for almost a month from June 6 and discussed bi-lateral co-operation with high-ranking government and party members of those countries. It was learned Wednesday [3 July].

An official of the South government said that the North delegation concentrated on fixing the measures required for the normalization of relations between North and Brazil, with which the North currently does not share relations. The North also decided to strengthen exchange and co-operation in the military field with Peru. Peru maintains a military attache in Pyongyang. In regard to Columbia and Mexico, with which the North has diplomatic ties, discussions were had with a view to strengthening economic co-operation.

Last February and April delegations from Brazil's Liberation Force Party and Mexico's Labour Party visited Pyongyang respectively.

ROK: Najin Lacks Infrastructure To Support Foreign Investment

SK0307234996 (Internet) The Joong-Ang Ilbo WWW in English 4 Jul 96

[FBIS Transcribed Text] Although North Korea is actively seeking to attract foreign investment in Najin-Sonbong Special Economic Zone, it was reported that it could be some time before foreigners will be able to invest in the area as it lacks the infrastructure to support such investment.

An investment delegation of Korean residents in the United States visited the special economic zone from June 28 to July 1 in order to conclude a contract for leasing shops.

North Korean authorities promised them that the Trade Center which will house approximately 400 shops, will open in August. However the delegation found that only the land had been cleared on the 10,000 pyong (33,000 square meters) building site.

ROK: Kim Chong-il Said To Use 1-on-1 Meetings To Gain Loyalty

SK0707091596 Seoul CHOSON ILBO in Korean 6 Jul 96 p 3

[Report by Song Ui-tal]

[FBIS Translated Text] It has been learned that North Korea's Kim Chong-il has induced steadfast loyalty and obedience from his close aides through the full use of one-on-one meetings rather than group meetings.

A high-ranking ROK Government official well-versed in North Korean affairs said on 5 July, "Kim Chong-il holds one-on-one meetings in all spectrums, except in

unavoidable cases such as giving on-the-spot guidance or meeting with delegations. He also said, "Kim Chong-il has been practicing such personnel management since he was officially appointed as the successor at the Sixth Congress of the Workers Party of Korea (WPK) in October, 1980."

The official also stated that so far over 200,000 North Koreans have had individual meetings with Kim Chong-il at least once, adding, "The activities of these people in every corner of North Korea, including members of the Three Revolutions Teams, contribute to keeping the North Korean regime going in the thick of dire economic straits and international isolation."

In fact, Kim Il-song used to spare no compliments through NODONG SINMUN and other pertinent publications, saying: "Chong-il is a cut above me when it comes to personnel management."

Kim Chong-il has especially applied this method to his family, close aides, and military circles in the two years since the demise of Kim Il-song. He has harmonized personnel management among the old, the middle, and the young, and he appears to have successfully cemented his de facto power, the official said.

In the case of Kang Sok-chu, virtual potentate and first vice minister of North Korean Foreign Affairs, he receives direct calls from Kim Chong-il every so often, as well as having one-on-one talks with him. Likewise, other up-and-coming military potentates, like Yi Ha-il, vice marshal and director of the Military Department of the WPK Central Committee; Air Force Commander O Kum-choi; General Kim Ha-kyu, artillery commander; and Kim Myong-kuk, member of the WPK Central Military Commission, compete with one another in their loyalty to Kim Chong-il.

ROK Official: DPRK, Australia Meet on Normalizing Tie

SKD807094996 Seoul YONHAP in English
0750 GMT 8 Jul 96

[FBIS Transcribed Text] Seoul, July 8 (YONHAP) — Officials from North Korea and Australia recently met in an unknown place to discuss the possibility of normalizing relations over 20 years after the North withdrew its mission from Canberra disgruntled over Canberra's failure to support Pyongyang in international forums, a Foreign Ministry official said Monday.

"The contact was made between working-level officials and on an unofficial basis," said Senior Coordinator of Regional Security Affairs Yu Kwang-sok, emerging from a high-level political and military consultative meeting between South Korea and Australia.

North Korea offered to begin normalization talks but Australia rebuffed them by saying that the North must first meet prerequisites for such talks, namely accepting the four party meeting proposed by Seoul and Washington for a permanent peace regime on the Korean peninsula and improving inter-Korean relations, according to Yu.

Australia fell short of extending rice aid to North Korea, although it was making an effort to persuade the European Union (EU) and the Association of Southeast Asian Nations (ASEAN) to join the international consortium to provide two light-water reactors to North Korea by contributing money for the provision of heavy oil to North Korea as interim energy until the completion of the reactors.

During Monday's talks between Deputy Foreign Minister for Political Affairs Chong Tae-ik and his Australian counterpart Kim Jones, the Australian side threw full support behind Seoul's efforts to persuade the North to accept the four party meeting.

Seoul and Canberra also shared the view that North Korea needs to join the Chemical Weapons Convention (CWC) and the Missile Technology Control Regime (MTCR) so they could join the international effort to check the proliferation of chemical weapons and long-range missiles.

The two sides also shared the view that maintaining good relations with China, an emerging world and regional power, is essential for peace and stability in the Asia-Pacific region.

Seoul and Canberra also agreed that they need to enhance bilateral military and security cooperation and left the issue of concrete measures to working-level military officers.

Yu said that the Seoul-Canberra political and security meeting is important in that it is the second round of such talks South Korea has had with foreign countries after the United States.

"Mid-level powers of the world like South Korea and Australia can play a larger role in establishing the world order after the collapse of the Cold War when the world order was organized solely by the two big powers," Yu said.

ROK: DPRK Halts Military Flights To Mark Death Anniversary

SK1007032096 Seoul YONHAP in English
0242 GMT 10 Jul 96

[FBIS Transcribed Text] Seoul, July 10 (YONHAP) — No North Korean military aircraft flew Monday or

Tuesday marking the second anniversary of the death of "great leader" Kim Il-song, a senior government official reported Wednesday.

"No military aircraft took off at airfields across the North Monday or Tuesday," the official said, adding, "North Korean authorities appear to have ordered a total halt to flights of military aircraft to commemorate the second anniversary of Kim Il-song's death."

It is quite unusual for the North Korean Air Force to completely suspend flights of military aircraft, according to the official.

Civil aircraft, meanwhile, was said to have been restricted during the two-day period.

ROK: Reporters on North Koreans' Disbelief in System, PRC Visits

SK0807052196 (Internet) The Digital Chosun Ilbo
WWW in English 1157 GMT 7 Jul 96

[Report by Cho In-won, Kim In-ku, CHOSUN ILBO reporters dispatched to Northeast China in the DPRK border region on the 2d anniversary of Kim Il-song's death, on the lives and ordeals of North Koreans: "Two Years After Kim Il-song's Death (3)"]

[FBIS Transcribed Text] Due to food shortage, North Korean residents are suffering not only from malnutrition but also from lack of kinship feeling. A married daughter and parents may eat together but they do not share their food. A Korean-Chinese named Yu, who visited her relatives in Musan, remarks that the relatives who received 600 kilograms of rice from her did not share a single grain with their married sons and daughters.

Last May in Musan, a family had a 60th birthday celebration with the help of relatives in China. Many villagers gathered to the house, drawn by the smell of food. However, the owner of the house did not invite them in the celebration, saying if he provided them with food once, he'd be expected to continue doing so.

Disbelief toward the system is growing. A Korean-Chinese by the name of Cha, age 50, talked about her recent visit to her relatives in North Korea. She saw a television program on cooking in which the program's commentator said: "The Korean housewife never experiences shortage of food for cooking." The relative who had been watching the program with her uttered how anyone could make such a lie.

A Chinese living in Chongjin, North Korea, aged 20, accused the bank of being a thief. At the beginning of the year, there was rumor of that money notes would change. Thus, everybody put their money in the bank.

But the bank never gave them back their money back. The reason that the people had put their money in the bank was due to their prior experience in 1992 when banknotes were changed. Only up to 380 won were changed to the new banknotes, and the rest became useless. To prevent such an occurrence from happening again, they had put their money in the bank — but this time they lost all.

A Korean-Chinese who visited Hoeryong city in the beginning of April says that now the North Korean intellectuals do not stop those who speak about the system as they had done before, and only puts their index finger in front of their mouths, while looking around. They increase the volume of the television when exchanging views, fearing eavesdroppers.

The food coupon is frequently sold in the black market. The general public cannot acquire rations even with their coupons due to the lack of food. However, high-ranking officials who can get food with coupons, buy more coupons in the market that are exchanged for food, which are then sold in the market.

Many of the North Koreans know that South Koreans are better off. In Sinuiju city, there was a rumor that the rice provided by South Korean rice assistance tasted good. A Chinese businessman in his twenties said that he heard North Korean trade officials saying that South Korean rice can be eaten without side dishes.

It has become easier for Chinese residing in North Korea to visit China in order to obtain food. Once visits to China had been limited to only once every three years, but now has increased to once a year. Getting through customs in North Korea has also eased. Until September last year, only five pieces of each item were allowed to be brought in. This year there is no limit. A Korean Chinese who visited North Korea in April brought 37 boxes of food, clothing and necessities, but none were confiscated.

Hoeryong city is situated on the 512 km-long Tumen river. At its widest, the width of the river is 200 meters, and at its narrowest 50 meters. Although the depth only comes up to the knee, crossing the river to the Chinese side is not easy. Border patrol has been strengthened and it is not easy [to] evade the Chinese police, even after having succeeded in entering China. A Korean-Chinese named Yi, who is engaged in business with North Korea says 3 weeks ago, 3 Korean women and 1 Korean man crossed the river but were caught by the police. When they begged for leniency, the police let them go back to where they had come from. However, such cases are very rare. Most who are caught are sent to North Korean guards.

ROK, PRC Urge Lifting of Each Other's Customs Barriers

SKD307124196 Seoul YONHAP in English
0703 GMT 3 Jul 96

[FBIS Transcribed Text] Seoul, July 3 (YONHAP) — South Korea has asked China to lower its customs duties for more than 10 South Korean commodities including automobiles, electronics and chemical products.

The request was made at the fourth working-level trade talks between the two countries held in Seoul Tuesday, the Foreign Ministry reported Wednesday.

China asked for simplified customs inspection and quarantine procedures for Chinese agricultural products, and South Korea promised to study the matter based on specific data to be provided by Beijing, according to a ministry official.

The delegates, noting that bilateral trade now stands in favor of South Korea, also agreed to try to promote its expansion in a balanced way.

During the first five months of the year, South Korea exported 4.33 billion U.S. dollars in goods to China and imported 3.35 billion dollars worth of Chinese products.

A 10-member delegation from each side took part in the meeting. The South Korean mission, made up of officials from five relevant agencies and the South Korean Embassy in Beijing, was led by Choe Hyok, director general of the Foreign Ministry's Trade Bureau.

Headed by Hu Guocai, director, Asian Affairs Department, Foreign Trade and Economic Cooperation Ministry, the Chinese team was made up of officials from concerned agencies including the Bank of China and the Chinese Embassy in Seoul.

The fifth South Korea-China working-level trade talks will be held sometime in 1997 in China.

ROK Firms Invest in PRC Liaoning Province

SKD807054596 Seoul THE KOREA TIMES in English
8 Jul 96 p 8

[By KOREA TIMES correspondent Sim Chae-yun]

[FBIS Transcribed Text] Dalian, Liaoning — Korean companies, making the most of the merits for investment in addition to the geographical proximity, have recently rushed to invest in Liaoning Province of China, which borders North Korea as the gate to the most flourishing economic area of northeastern China.

In particular, this year has seen a remarkable increase in terms of investment by Korean companies, both small and large.

The large firms active in the region include such conglomerates as LG, Hyundai, Pohang Iron & Steel Co. (POSCO), and Sunkyong, which have expanded investment.

At present, more than 1,800 Korean firms have entered the region and, of them, some 600 began doing business there this year.

Due to the rush of business enterprises, Korea has emerged as the fourth largest investor in the region in terms of investment amount, outpacing Taiwan.

Hong Kong, Japan and the United States make up the three largest investors.

The LG Group held a ground breaking ceremony June 28 for the construction of a factory for the production of elevators in Dalian City in Liaoning Province.

The business group invested \$50 million so far and plans to pour another \$50 million into factories set for completion in 1998.

Hyundai Electronics Industries Co., for its part, is poised to build a plant for the production of hard disc drives (HDD) with an investment of \$120 million in the flourishing port city of the province.

Hyundai, with a view to advancing into the protectionist distribution market of China, has embarked on the construction of a large-scale department store in downtown Dalian City in June this year.

POSCO, with an investment of \$50 million, has set up a joint venture for manufacturing rolling zinc in a development zone in Dalian City.

"Korean companies have been the most active investors in the city during the past five years," said city mayor Bo Xilai in an interview.

He expressed hope for Korean firms to invest in the areas of electronics, textile, shipbuilding and machinery, in particular.

Other large companies have also competed to make inroads into the region. Daewoo has entered the market for paper and construction, while Ssangyong has already built cement and car parts plants. In addition to Dalian, other major industrially developing cities in the province like Dandong, Shenyang and Yingkou have become the main targets of investment for Korean companies, especially for small and medium-sized ones.

Dandong City, located along the Yalu River, expects investment by Korean firms to increase sharply in the region once a direct ferry route linking the city and Incheon City of Korea opens in June next year.

In fact, an increasing number of Korean businessmen and officials of local autonomous bodies have visited the area to explore business opportunities.

In the development zone of Shenyang, the capital city of Liaoning, an industrial complex exclusively for Korean companies is now under construction by the Korea Land Corporation. The complex will cover 129,000 pyong (one pyong is equivalent to 3.3 square meters) of land.

Another similar complex is also planned for Dalian City on land covering 20 square kilometers.

Liaoning Province governor Wen Shizhen clarified that the provincial government will extend a variety of investment favors, particularly tax-related ones, for Korean companies investing in Shenyang's Korean industrial complex.

"Korean firms will only have to spend \$11 per square meter in buying factory land," he said.

ROK: Korea Telecom Expands Service in CIS, East Europe

SK0307130996 Seoul YONHAP in English
1212 GMT 3 Jul 96

[FBIS Transcribed Text] Seoul, July 3 (YONHAP) — South Korea's overseas telex service has been expanding fast to cover breakaway countries of the former Soviet Union, Czechoslovakia and Yugoslavia now that civil wars there have come to an end.

An official at Korea Telecom said telex service began Wednesday with the Uzbek and Kazakh Republics of the Commonwealth of Independent States (CIS) and the Slovakia Republic.

Korea Telecom has already launched telex service with Russia, Ukraine, Latvia, Slovenia, Croatia and Czech.

The official said Korea Telecom plans to have telex service with Lithuania by early August and with Macedonia, Bosnia, Turkmen, Tajik and Kyrgyz by the end of the year.

ROK Editorial Welcomes Yeltsin's Election Victory

SK0707102996 Seoul SEOUL SINMUN in Korean
6 Jul 96 p 3

[Editorial: "The Triumph of Russian Democracy"]

[FBIS Translated Text] The result of the Russian presidential election, which ended with President Boris Yeltsin's victory, is good news that heralds the world's progress in the right direction in the future. Yeltsin's victory is enough to relieve the world of apprehension as it promises stability in the international situation and the continuation of domestic reform in Russia.

How fortunate Yeltsin's victory is can be readily understood if we consider the opposite circumstances. The Russian presidential election implied a confrontation between democracy and communism, reform and reaction, and between East and West. If Communist Party leader Gennady Zyuganov had been elected, it would have meant disaster, for the world would inevitably have relapsed into the Cold-War, and international peace would have faced a grave challenge. In particular, its adverse effect on the Korean peninsula, which remains the only Cold-War zone after the collapse of the communist world, would be more serious than anywhere else.

As President Kim Yong-sam noted in his congratulatory message to President Yeltsin, the result of the Russian presidential election was the triumph of Russian democracy and the triumph of Yeltsin's reform policy. In the whirlwind of reform and openness over the last five years, the Russian people have undergone an ordeal severer than they did under communism. Massive unemployment, high inflation, thriving crime, corruption, a deteriorating standard of living, the decline to second-rate country status, etc.—these were the unbearable pains they suffered. Nevertheless, the Russian people rejected a return to communism. They did not forget the horror they suffered under 75 years of communist rule, but chose the way to democratic development that means freedom and competition. Even in their short history of free elections, Russian voters made a mature judgment.

In Yeltsin's election, where 53.7 percent of the votes was cast for him, there lurks considerable opposition forces, as seen in the 40.4 percent of votes cast for Zyuganov. Although the Russian Communist Party lost the presidential election, it still holds the greatest number of seats in the parliament. Economic instability and social disorder in Russia could pose a serious threat to President Yeltsin. The international community should cooperate so that democracy and reform in Russia may not fail. A change in Russia is directly connected with a change in world history. With this in mind, the government should further strengthen the basis for cooperation with Russia.

ROK President Sends Message to Overseas Koreans' Conference

SK2906024396 Seoul YONHAP in English
0216 GMT 29 Jun 96

[FBIS Transcribed Text] Washington, June 28 (YONHAP) — President Kim Yong-sam urged North Korea to join the open world Friday not only for the happiness and prosperity of the Korean people but also for the north's own development.

In a message to the Fifth Overseas Ethnic Korean Representatives Conference here, President Kim stressed that openness, exchanges, reconciliation and prosperity are a must for survival and prosperity in the contemporary age.

The president's message was read by Korean ambassador to the U.S. Pak Kon-u.

Emphasizing that unification should be achieved in a peaceful and gradual manner, Kim said he hopes North Korea will come to the negotiating table as soon as possible to discuss the nation's future.

He said the four-way talks were offered after taking into account North Korea's position. "If and when the proposed meeting takes place, North Korea will benefit the most," the president said.

Kim said his administration has been sending food to North Korean compatriots suffering from the serious food shortage as a brotherly and humanitarian gesture.

"I hope the assistance has helped ease the suffering to foster an atmosphere in North Korea that allows a South-North reconciliation," he said.

Kim also said his administration will actively assist with the resettlement of overseas Koreans and exchanges with their homeland.

In this context, he noted that the government recently formed the overseas compatriots policy committee.

Meanwhile, U.S. President Clinton, in a message released at the conference, said the resourceful talent and culture of ethnic Koreans has helped make the United States strong.

Ethnic Koreans can be proud of the efforts they have been making to maintain an invaluable heritage, the American president said.

Noting that the United States is a country built on the dreams and achievements of emigrants, Clinton said it will be remembered for a long time that Koreans, along with people from other parts of the world, have contributed to forging a country where people can live according to the ideals of freedom and equality.

Approximately 400 representatives from Korean communities in 33 countries — including former communist-bloc nations — attended the conference.

ROK: Ministry Notes 'Alarming' Rise in 'Travel Deficit'

SKD307063496 Seoul YONHAP in English
0618 GMT 3 Jul 96

[FBIS Transcribed Text] Seoul, July 3 (YONHAP) — The deficit in the travel sector is growing at an alarming

rate as an increasing number of people are going on overseas trips on the strength of what critics say is a "lavish consumption boom."

The Ministry of Finance and economy reported Wednesday that the travel deficit during the first five months was 930 million dollars, more than three times that registered during the same period last year.

The imbalance also accounted for 27.2 percent of the entire 3,420 million-dollar deficit in the invisible trade and unrequited transfers.

Money spent on trips for study or training purposes accounted for 408 million dollars or 43.6 percent of the travel deficit.

The number of overseas travelers reached 1,444,000 during the first four months of the year, up 20.8 percent from 1,195,000 during the same period last year.

The number of foreign visitors to South Korea, however, remained relatively unchanged during the same period, totaling 1,145,000 or only slightly higher than 1,139,000 in the same period last year.

People going out for tourism purposes accounted for 723,000, up 30.7 percent from last year, followed by those on business with 330,000 (up 14.9 percent), observation with 144,000 (up 10.7 percent), and study abroad with 48,000 (up 6.7 percent).

In April, a Korean traveler spent an average of 1,789 U.S. dollars per trip, up 27.2 percent from 1,406 dollars in January, while a foreign visitor here spent an average of 1,376 dollars, or 13.1 percent less than their Korean counterparts.

A ministry source said that travel abroad began to take off after the 1988 Seoul Olympics, with the number of Korean tourists going overseas jumping 54.8 percent in 1989. The growth rate declined after 1991 but rose again in 1994.

It is expected that over 4 million people will travel abroad this year, he added.

In an effort to stem the worsening travel imbalance, the government is asking people not to indulge themselves in lavish spending during overseas trips. It also plans to liberalize loan and credit restrictions for investment in the domestic tourism industry.

The source stressed that the nation's invisible trade deficit is having a profound effect on the worsening current-account deficit and that rising levels of consumption here, including excessive spending during travel and studying overseas, is not helping the current economic situation.

ROK: Kim Yong-sam Asks NKP Head To Resolve Parliament Deadlock

SK2706064696 Seoul THE KOREA TIMES in English
27 Jun 96 p 2

[Report by staff reporter Han Tong-su]

[FBIS Transcribed Text] In an apparent move to deflect public criticism for the National Assembly impasse directed at the so-called "three Kims," President Kim Yong-sam yesterday asked ruling New Korea Party Chairman Yi Hong-ku to take full responsibility for normalizing house operations.

Kim gave the instruction during a breakfast meeting with Lee, NKP Secretary General Kang Sam-chae, floor leader So Chong-won and 31 other senior party post holders at Chongwadae yesterday morning.

"Party officials should exert every effort to open the National Assembly so that newly elected lawmakers can begin to work for the people," Kim was quoted as saying.

Briefing reporters on the breakfast meeting, NKP spokesman Kim Chol said President Kim, concurrently president of the ruling party, was keen to normalize Assembly operations now stalled due to the opposition's political offensive. The opposition camp has blocked the election of the Assembly leadership since June 5 in protest against what it claimed was wholesale election rigging and forcible recruitment of independent and opposition lawmakers by the NKP. Passing the responsibility for normalizing the Assembly to Yi, Kim said he is too busy taking care of important national and diplomatic affairs to pay attention to domestic politics and the Assembly, according to the spokesman.

President Kim also mentioned about the wide range of domestic and diplomatic issues, including the 2002 World Cup, the just-ended Korea-Japan summit and inter-Korean relations, the spokesman said.

Kim, in particular, took a long time in briefing the participants about his summit talks with Japanese Prime Minister Ryutaro Hashimoto in Cheju, including the private meeting over drinks on June 22.

"The co-hosting of the 2002 World Cup is an important occasion to greatly develop Korea-Japan relations which have been stalled because of the issues of history," Kim was quoted as saying.

The chief executive stressed the need for Korea and Japan to share a common perspective on their unhappy history through joint historical research, spokesman Kim said.

"We must take issue with the unhappy past without fail. But at the same time, it is important for us to maintain a forward-looking and cooperative attitude (toward Japan)," the spokesman quoted Kim as saying.

President Kim said he got the impression that Hashimoto was very frank and unpretentious through the private talk, which he said enabled them to exchange opinions on every topic without hesitation.

Kim denied the foreign news report that he and Hashimoto drank quite a lot during the one-on-one talks they had after a banquet on the first day of the Cheju summit.

"Prime Minister Hashimoto later told Japanese reporters that I am a heavy drinker. That night I only drank a few glasses of wine. I think the premier said so to avoid answering reporters' questions on sensitive issues we had discussed," Kim was quoted as saying.

Evaluating the Cheju summit as highly successful, Kim said, Through the meeting, I think that the uncomfortable Korea-Japan relations have restored to a great extent. I heard that Prime Minister Hashimoto is quite satisfied with our meeting. We will continue to keep up our close relationship."

Telling the NKP officials a World Cup background story, Kim said French President Jacques Chirac and International Olympic Committee President Juan Antonio Samaranch were among a dozen world celebrities who had greatly helped Korea co-host the 2002 World Cup with Japan, according to the NKP spokesman.

ROK: Parties Criticize, Defend Kim Yong-sam's 24 Jun Remarks

SK2706083696 Seoul YONHAP in English
0711 GMT 27 Jun 96

[FBIS Transcribed Text] Seoul, June 27 (YONHAP) — The political row between the ruling and opposition parties over the remarks President Kim Yong-sam made during a recent visit to a frontline army unit is escalating, in spite of the ruling party's cease-fire offer.

The ruling New Korea Party (NKP), believing that a political dispute over the president's security-related remarks is not in the national interest, offered a cease-fire Thursday asking opposition parties to exercise self-restraint.

Kim said that had the UN Command made an aerial attack on Manchuria during the Korean war, as Gen. Macarthur proposed, Korea would have been unified, and that Pyongyang is known to have supplied the military with a considerable portion of the 150,000 tons of rice from South Korea last year.

Presiding over a high-level staff meeting, NKP Chairman Yi Hong-ku said the political row over the president's remarks will not only waste national energy but also cause a misunderstanding in the international community. He urged opposition parties to refrain from making it a bone of contention.

Kim apparently made the remarks to tell the younger generation something true about the North Korean regime on the 46th anniversary of the outbreak of the Korean war, Yi explained.

The NKP chairman further argued that "It is totally undesirable to make an issue of the remarks, asking what we would do if the North Koreans got angry."

NKP spokesman Kim Chol said if the North Koreans diverted the rice given in humanitarian aid, even a small part of it, for military use, they should be blamed for such misappropriation.

But spokesman Chong Tong-yong of the main opposition National Congress for New Politics claimed President Kim's remarks on "an atomic attack on Manchuria" were tantamount to an offer of a hostile policy of exterminating North Korea. He said that the president caused a trouble by making a reckless remark on a sensitive issue which may affect relations with friendly nations.

Spokesman An Taek-su of the minor opposition United Liberal Democrats called on President Kim to make a public apology for his "reckless" remarks, pointing to the explanations by Chongwadae [presidential offices] and the NKP that the president made the remarks on rice aid to the North on the basis of an intelligence report.

ROK Assembly Impasse Boosts Opposition Leaders' Partnership

SK0607091496 Seoul THE KOREA HERALD
in English 6 Jul 96 p 2

[By staff reporter Nam In-su]

[FBIS Transcribed Text] The month-long political impasse over formation of the new legislature's leadership has strengthened the partnership between two rival opposition party leaders, Kim Tae-chung and Kim Chong-pil.

Now that the National Assembly is put back on track, the question is: How long will their alliance last?

The two Kims offered answers as they were wrapping up their common battle against the ruling party over the legislature's floor operation Thursday.

"Our alliance has just started. We will join forces to the last minute until the National Assembly restores its

mandated power," said Kim Chong-pil, leader of the United Liberal Democrats (ULD).

Kim Tae-chung of the main opposition National Congress for New Politics (NCNP) also backed him when he said, "There were talks of an imminent breakdown in our alliance. But we have prevailed and cooperated with each other throughout the past month. I believe it will hold for a long time."

Behind their optimistic view lies a shared belief that they will need each other when an extraordinary National Assembly session opens Monday.

They will have to cooperate with each other to avoid being pushed around by the ruling party in the two special committees, which will investigate election frauds in the April general elections and work on the revision of several laws, including the election law.

Half the committee seats are to be shared by the two parties.

Any fissure in their alliance would mar chances of achieving what they had fought for — working out legal devices to guarantee fair elections in the future.

In an effort to cement their alliance, the two opposition parties agreed last month to pull together for a dozen policy issues in the new legislature.

"Our two parties will take common steps on a case-by-case basis for a considerable time to come," said ULD floor leader Yi Chong-mu.

His remarks indicated that the two parties may have differences over some issues.

Actually, the opposition parties showed delicate differences when they were teaming up to struggle against the ruling New Korea Party over the recent National Assembly deadlock.

When rival parties were wrangling over how to name the two ad-hoc committees, the ULD sided with the ruling party against its alliance partner, the NCNP.

The two opposition parties are wider apart when it comes to the type of government structure each party advocates.

ULD leader Kim Chong-pil, who vows to promote a cabinet system of government, says he is ready to join hands with any party that shares his ideas, be it the ruling camp or the opposition.

Meanwhile, the NCNP's party charter stipulates that it uphold the presidential government system. There is no urgent need to change the form of government, NCNP leader Kim Tae-chung has said. But recently, he is toning down his words.

"The next national leader should be the one who favors the cabinet system of government," he said, adding that the coming administration needs to take on that form of ruling.

Political analysts say that he is making a conciliatory gesture toward Kim Chong-pil to strengthen their ties on matters of more immediate concern.

A test on the strength of their alliance may come prior to next year's presidential election, in which both the Kims are planning to run despite calls for a single opposition candidate.

Kim Tae-chung said he will decide on his candidacy by the end of this year. But chances are he will choose to run. He will certainly break ties with Kim Chong-pil if he also decides to run in the presidential election.

ROK: Major Economic Indices 'Losing Credibility' as Forecasters

SK2706062496 Seoul THE KOREA TIMES in English
27 Jun 96 p 9

[By staff reporter Yi Chang-sop]

[FBIS Transcribed Text] Major economic indexes such as the business survey index (BSI) and the arrival of letters of credit have been losing credibility fast as forecasting tools for upcoming industrial and export trends.

The falling credibility of the conventional indexes is partly due to the fast changing economic, industrial structures and business practices, according to the Samsung Economic Research Institute.

Despite the eye-catching transformation of economic realities, forecasters use the outdated models to formulate indexes and wrongly analyze future patterns, the institute said.

The unreliability of the indexes has put policymakers and executives in a difficult position in charting future plans on a timely basis.

One outdated index is the arrival of export letters of credit (L/Cs). It has been used as the indicator of export trends three to four months ahead. However, the index was useful when more than 90 percent of exporters settled bills through L/Cs. These days, non-L/C methods of bill settlement are widely used, thus weakening the reliability of the L/C index, officials of the National Statistical Office (NSO) said. The Samsung Economic Research Institute said its margin of error was as wide as 45 percent last year, but the NSO still uses L/Cs as a component to predict economic and industrial trends.

The Federation of Korean Industries (FKI) publishes its monthly business survey index (BSI) to track sector-by-sector business trends. It surveys 600 member companies. Since January this year, the index has continued to rise, reaching 118 in May from 89 in January, although the consensus is a downward trend in economic activities.

Few economists believe the usefulness of the M2 total money supply indicator, which the central bank uses as its monetary target. M2 tracks money flowing into the banking system, or 28 percent of all money in circulation in the Korean financial system. The M2 had been useful when banks accounted for more than 60 percent of the domestic financial system. However, banks accounted for only 29.1 percent of the deposit market and 39.5 percent of the loan market last year, according to the Bank of Korea.

But NSO officials defend economic indicators they produce. One example is the recent reduction in the price of semiconductor chips. An NSO official said when chip prices fall by 50 percent, exports decline by the same amount. But as long as makers do not reduce production, it does not have any impact on the industrial trend statistics. But the majority of the people falsely regard the chip price decline as darkening the overall economic activity, they said.

Korea boasts that its unemployment rate, hovering at less than 2 percent, is one of the lowest in the world and is de facto full employment. But there are many unemployed people around, raising doubts about the accuracy of the rate.

But NSO officials said people unwilling to work are excluded from the unemployment rate statistics. However, questions arise over how to account for those unwilling to work, critics said.

Many Koreans feel a wide gap between the consumer price index (CPI) and the real inflation in the market, mostly because the CPI fails to track down changing consumption patterns, analysts said. Pizza and golf sets, for example, are not included in the CPI basket.

ROK: Labor Reacts 'Strongly' to Government Justifying Layoffs

SK0407005096 Seoul THE KOREA HERALD
in English 4 Jul 96 p 3

[FBIS Transcribed Text] Labor circles reacted strongly to the government's move to justify layoffs, dispatched labor and flexible work hours.

The nation's major labor organizations yesterday vowed to block the move by all means, charging that it would undermine employment stability.

The bitter opposition made its presence known one day after the government announced Tuesday (2 July) a plan to introduce layoffs, dispatched labor and flexible work hours.

"Such measures will significantly lower workers' working conditions, even undermining their employment security," the Federation of Korean Trade Unions (FKTU) said.

The FKTU, the nation's largest labor organization, immediately issued a statement warning that the measures will degrade labor-management relations.

Reiterating its apparent opposition, the FKTU threatened to fight an all-out war against the government's plan to introduce such measures.

All possible means, including an allied struggle with other civil organizations, would be mobilized to prevent the government from bringing in the measures.

The FKTU even threatened to withdraw from the newly-launched presidential commission on labor reforms, raising doubts over its neutrality and fairness.

"The FKTU does not rule out its withdrawal from the current labor reform commission with the government, labor and employment representatives in protest of the government," a FKTU spokesman said.

The spokesman suspected that the government has already made a unilateral decision to implement such controversial measures as layoffs, dispatched labor and flexible work hours.

"It does not make any sense for the FKTU to participate in the commission which is supposed to discuss the issues to map out an agreement from now on," he complained.

Another labor coalition, the Korean Confederation of Trade Unions (KCTU), an unauthorized yet influential organization in labor circles, voiced its strong opposition, too.

"The government's plan to introduce the measures is nothing more than protecting the interests of businesses on behalf of the employment group," Yi Yong-pom, a KCTU spokesman, said.

Yi said the government is trying to back off from its labor reform policy at the cost of workers' lives in the

name of lifting the nation's international competitiveness.

But the government, most of all the Ministry of Finance and Economy (MOFE), which has been concerned over the growing deficit, remained unchanged in its position.

In a briefing to the President, Na Ung-pae, minister of MOFE and deputy prime minister, said the measures must be brought in to sustain the flexibility, not rigidity, of the local labor market.

The top economic policymaker said the government will do its best to persuade the new presidential labor commission to accept the government's position.

ROK: Minister Okays Hyundai Plan To Build Integrated Steel Mill

SKD307122196 Seoul YONHAP in English
1016 GMT 3 Jul 96

[FBIS Transcribed Text] Seoul, July 3 (YONHAP) — Trade, Industry and Energy Minister Pak Chae-yun said Thursday Hyundai Business Group may build integrated steel works if it so wishes.

"If and when Hyundai tenders a steel project plan, it would be reviewed by the Industrial Development Deliberations Council," Minister Pak said. "But, regardless of the outcome of its review, Hyundai may go ahead with the scheme at its own discretion."

The council is an advisory organ for the trade, industry and energy minister. It consists of 27 members — 21 academicians, journalists and researchers and six deputy-minister-level government officials.

Pak said even if the council arrives at a negative conclusion, it would be nothing more than an opinion of his ministry, which, he said, would have no binding force upon Hyundai.

So far, the government has been negative toward Hyundai's plan to have its own integrated steel mill on the grounds that additional steel works may lead to the oversupply of steel.

Hyundai is known planning to build three blast furnaces each capable of producing 3 million tons of iron and steel a year.

Burma

Burma: NLD Thayet Constituency Representative Resigns From Assembly

BK1007021396 Rangoon TV Myanmar Network in Burmese 1330 GMT 9 Jul 96

[FBIS Translated Text] U Khin Maung Than of the National League for Democracy [NLD] — who was elected to the People's Assembly as a member from Thayet Township Constituency, Magwe Division, during the Multiparty Democratic General Elections — has, of his own volition, has submitted his resignation and is withdrawing as an elected representative, stating that he has no desire to pursue party politics, since he is of advanced age and in poor health.

In accordance with Section 11, Subsection E of the People's Assembly Election Law, the Multiparty Democratic General Election Commission has accepted his resignation effective today.

Burma: Article Views Nichols Death, Subsequent Events

BK1007014396 Rangoon THE NEW LIGHT OF MYANMAR in English 9 Jul 96 p 5

[Article by "Byatti"]

[FBIS Transcribed Text] I noticed that in the manual on refined method of attacking without using violence by White wizard of democracy Gene Sharp, there is one provision given as "honouring the dead". I have heard that this provision was effectively used and implemented by the founding mother of our party, the spouse of a White man, the West Maidawgyi [refers to Aung San Suu Kyi].

The wit and scheme of the West Maidawgyi is so good that she can even derive benefit out of a funeral and ought to be put on record. By saying deriving benefit out of a funeral by the West Maidawgyi, don't run away with the wrong idea that she acts as banker in a card game at the funeral house or collects toll from the game. She never indulges in such low-down acts. (But in acts worse than this).

An Anglo-Myanmar [Burmese] by the name of James Leander Nichols was found guilty under Section 6(1) of the Burma Wireless Act of 1933 and was sentenced to a jail term of three years.

During the period this bad-hat Anglo was serving his sentence the foreign broadcasting services and journals shouted out in an alarming manner. It is not without reason that this person was given the title of a bad-hat. This person is said to have helped over 40 good Myanmar damsels to get jobs abroad after promising

them different kinds of incentives. It is said that he seduced 80 per cent of these girls and a not very famous artiste of strange name also get involved in this. Moreover, when the spouse of a Myanmar woman who was given a special privilege came to Myanmar [Burma], he was given a special treat led by this bad-hat and was taken to a big whore-house in Thingangyun and entertained. That is why he was given the honourable title of bad-hat.

In reality this bad-hat is no ordinary person. He is the person who had arranged a car for Maidawgyi the founding mother of our party. The air-conditioners installed at the Maidawgyi's house are also the good deeds of this bad-hat. All the expenses at Maidawgyi's house from receptions right up to the salary of the gardener was the responsibility of the bad-hat. He also installed the best TV and video decks at the house. His generosity is amazing.

Whether it is due to his misfortune or his ill fate it is not known, this bad-hat died suddenly while serving his sentence, on 22-6-96. Regarding this matter, there were different kinds of criticisms and accusations made and there came about persons who tried to make political gain out of it. There appeared writings and broadcasts which exaggerating the death as caused by torture and to be assumed to be so.

If only it was known that the bad-hat would die this way, the manner in which he lived and ate while in jail would have surely been recorded on video-tape. Although there are no such video tape taken, lucky there are people living who can give evidence. Prior to the death of this bad-hat on 20-6-96, Ma Nyunt Yi, who is described as the adopted daughter of the deceased came to visit him at the jail and she said:

"There was a phone call from Australia asking if Daddy was in good health", and the bad-hat replied, "I am well, tell them not to worry. Tell them the officials here are looking after me and keeping me well."

Thus, it is quite obvious how the bad-hat was kept in prison and whether he was tortured or not. A prison is not a hotel where people rest and recreate nor a place where people can live in peace and do what they liked. However, compared to the rest of the prisoners, he was placed under "good" category and kept better than others. He was above others and there were even persons who fanned him and massaged him and he had nothing to worry about small errands and no one punched him, because the bundle brought to him by those visiting him was rather big.

In studying the items brought to him in prison, it can be estimated what luxury he enjoyed there.

- (1) bread-three packets
- (2) bread (pudding)-one packet
- (3) fried chicken-(whole)
- (4) fried bacon-two packets
- (5) fried onions-two packets
- (6) cooked fish sauce-two packets
- (7) dried pork-five packets
- (8) milk powder-two packets.
- (9) pork-one tin
- (10) instant noodles-20 packets
- (11) instant nutrition-two packets (40 nos each packet)
- (12) instant coffee mix-three packets (60 nos in each)
- (13) biscuits-two packets
- (14) strawberry jam-six packets
- (15) underwear-three nos
- (16) orange juice-two bottles
- (17) instant noodles-five packets
- (18) sausage-one packet
- (19) preserved durian-one bottle
- (20) cheese-three tins
- (21) towel-three nos
- (22) fried bacon-one bottle
- (23) cooked lobsters-one bottle

In reality, according to prison rules such a big number of foodstuff cannot be taken inside. There is no other reason to ponder over this than to presume that the authorities at different levels had been considerate and kind towards the bad-hat and regarded him as another human being and had made this arrangement. There can be another reason. The bad-hat is not a foolish person and his work was so good that he could even have a citizenship scrutiny card, isn't it so? As a person who is business-minded he might have opened a store in the prison.

It is learnt that the bad-hat drinks coffee in the prison three times a day. It is not easy even for the officers on duty at the prison to drink coffee regularly. Even if they have coffee, milk powder and sugar, it is not easy to get boiled water in the prison. However, according to words uttered by the bad-hat, "everything is fine", he must have been OK in the prison.

We should also study the activities on the day of his death. On that day (22-6-96), when the cells were opened, he did the usual squatting and then he returned to his cell and laid down. At 7 am he drank coffee mix and slept again. He went to the latrine at 8.45 am. After that he himself went to get his meal and ate it with dried pork and fried fish-paste. After his meal he took the medicine prescribed by the doctor.

After taking his medicine, he joked with an inmate Bo Thein who returned after meeting his visitor. He then

laid down in his bed again. After 10 minutes in bed he got up and took a walk and on returning to his bed his knees buckled and he fell and warder on duty took him to prison hospital and warded him there. Necessary medical treatment was then given by the medical officer, the warder and the doctor on duty, it is learnt.

The doctor on duty said the patient had lost consciousness and his blood pressure was 200/100. His pulse beat was 88 per minute and irregular and that a sudden hypertension could damage the nerves in his brain and gave him the necessary medical treatment. He then reported to the official in charge to admit him to the Yangon (Rangoon) General Hospital (YGH). After getting permission, he was taken and admitted to YGH, it is reported.

At the YGH, while the doctor on duty was examining the patient, the bad-hat left this world to rest in peace for ever. The death certificate of deceased, a prisoner and giver of democracy donations was written, it is reported.

The same day the authorities of the prison went and informed the people living at his residence. Adopted daughter Ma Nyunt Yi requested the prison officials for the Prisons Department to hold the funeral arrangements according to Christian rites and to bury him accordingly. It is thought that being a woman she could not make the funeral arrangements.

Thus, the funeral arrangements of the deceased were undertaken by the Prisons Department and he was buried according to Christian rites at Sawbwagygion Christian Cemetery in Insein at 14.15 hours on 23-6-96. Present at the funeral service were May Nyunt Yi and about 35 friends.

In carrying out autopsy on deceased prisoner, the Police Surgeon, remarked that he died of cardiac disease. Some tissues of the deceased were sent to pathology section for laboratory tests. Samples of his blood and food in his bowel were also sent for tests.

It is seen that there was none who treated him harshly. No one can prevent death when a person meets his fate. No ambassadors of any kind can plead with death. The Nawata (State Law and Order Restoration Council) Government also cannot issue an order for him to die after he is freed from prison. It is also necessary to understand that the United Nations cannot use a veto power to stop his death.

The West Madaungyi, who is scheming how to attract the interest of the people from day to day, in connection with the death of the bad-hat did something which should not have been done. A group led by Madaungyi

herself took five members of the Sangha on 28-6-96 to the residence of the deceased and offered soon according to Buddhist tradition. Just look at it.

Regarding this matter, it was quite puzzling why Maidawgyi acted so. Her two elderly left-hand and right-hand men also accompanied her. The legal chairman of the party did not go and maybe because he caught a cold. She is responsible to clarify whether that matter was carried out according to the desire of the party or personal desire. This question is being asked because the party is included every time.

At this soon offering ceremony were present the attache of the Madonna's country, the ambassador of Switzerland, the ambassador of Denmark, 2nd Secretary of Norway Embassy, Counsellor of Finland Embassy and some foreigners who were the bad hat's friends.

This stunt by West Maidawgyi is quite obvious that she is not serious about the religious belief. She could have employed other methods if she wanted to assemble people for political gain. She invited the Buddhist monks through trickery and permitted those who do not understand the religion to hear the preaching and this is very absurd of her. I do not know whether the foreigners shared the merits in English or not.

The West Maidawgyi does not think whether it is right or wrong to do something, nor can she differentiate whether a thing is good or bad and does whatever she wants to do and those elderly people also have no idea to stop her.

The West Maidawgyi is not satisfied with hunting problems wearing a khamauk and not finished with taking the funeral of the bad-hat as excuse to draw international interest, but even went as far as to create a situation for solving the problems face to face in religion. In reality it was not because she wanted to offer soon on the seventh day after the death of the person or for the bad-hat to go to heaven, but created a situation merely to assemble a crowd.

That offering of soon in order to make political gain by West Maidawgyi, it seems did not turn out to be as expected by her. She organized a service to be held according to Christian belief. Some of the Christian churches refused and gave some sort of excuse to look good.

The West Maidawgyi who does not know how to accommodate with other's wishes asked the help of the attache of embassy of Madonna's country and it is learnt that the Catholics are making arrangements to hold the service. The attache made phone contacts even with Rome in Italy and made efforts for what the Maidawgyi asked him to do. There is a question to be asked whether

the steps taken by the attache are according to the wishes of the embassy and he acted on behalf of the embassy or not. If it was carried out according to the wishes of the embassy, then in future the person will be honoured by mentioning his full name if there is opportunity. If it is carried out according to religious custom, the authorities will give permission. Permission has also been granted. But if it is done to assemble to make political gain then situation can become very confusing.

As the West Maidawgyi is creating a scene on the death of the bad-hat within the country, this and that diplomats of foreign embassies are also saying this and that. The Foreign Ministry of Denmark is not satisfied with this matter and is crying out to the UN to send a human rights special envoy to carry out necessary inspection. It is said that the United States, taking this as an excuse is thinking of imposing sanctions against Myanmar Naing-Ngan.

That Anglo bad-hat who broke the existing laws of the country and was sentenced by the court and as he was not fit to have been given the post of honorary consul, he was excluded from the list of diplomats recognized by the Ministry of Foreign Affairs of Myanmar. [sentence as published] Hence, as it has been shouted aloud he is not an honorary counsel, nor did he represent any country legally. As he was one who was carrying out his secret tasks illegally, if there are those who grieve at his loss then Byatti is at a loss to say anything.

Creating a problem out of nothing is real extraordinary. In reality, the bad-hat had lived with a citizen scrutiny card and household registration card and why is it that those who have no connection with him are feeling hurt? Whatever it may be, the deceased has gone to the cemetery and his life has been concluded.

As there is a saying that a person became wealthy starting with a dead rat, the person who wants to make political gain out of a corpse is really foolish.

Burma: Article Questions Suu Kyi's Love for Country

*BK1007041496 Rangoon MYANMAR ALIN
in Burmese 8 Jul 96 p 4*

[Article by Shwe Day Maung: "One Just Doesn't Understand"]

[FBIS Translated Excerpt] I am an employee and a Myanmar [Burmese] who loves his country. Recently, from reading the newspapers, I noticed what Daw Suu Kyi, who lives in Myanmar [Burma], is doing and what her objectives are, in looking to the West. Daw Suu Kyi, who is the daughter of a national hero, is not practicing what she preaches. [passage omitted]

I don't understand why she wants to disturb the present stable situation, creating ripples on the surface of calm waters. From the employees' point of view, they see the SLORC's [State Law and Order Restoration Council] development and construction activities: building schools, bridges, roads, and hospitals. No one can deny there is progress, and those who deny this are only fooling themselves. One thing is certain: The progress must be viewed nationally, because not even an angel can satisfy some men's wishes [Burmese saying]. Although successive governments have engaged in development works, I think this is more pronounced in the SLORC era because of the untiring efforts of the SLORC leaders. The SLORC has made remarkable progress, amidst various difficulties, in just seven or eight years — compared to the 20 or 30 years of other governments. Daw Suu Kyi does not say anything good about this. What is the matter? I don't understand.

Different classes of society exist in all countries, and those who work should enjoy the fruits of their labor. How can there be equality, when not even the fingers of a single hand are equal? Daw Suu Kyi, within your party, are your rights and privileges the same as those of other party members? I listen, study, and analyze Daw Suu Kyi's weekend speeches and feel one should not adopt an attitude of sour grapes. One should be constructive instead of destructive. It is better to give advice regarding the country's needs than to seek gains from human rights and democracy. Daw Suu Kyi was coerced into entering the political arena during the 1988 disturbances. What did Daw Suu Kyi do for the benefit of the country after that? Apply self-criticism. Merely shouting for democracy and human rights is not the answer.

You say that it is for the country, for Myanmar. However, when you meet foreign organizations and journalists, you call for economic sanctions against Myanmar, urge tourists not to visit Myanmar, and discourage foreign investment. Are you doing these things because you love Myanmar, or what are you expecting?

I am a Myanmar national born in Myanmar's delta region. I became an employee to serve my country and to fulfill my social needs, and I try to help my country in any way I can. I will not betray the country that has fed me, the country in which where I grew up.

Daw Suu Kyi was also born in Myanmar, of Myanmar parents. Leaving your marriage aside, you grew up in Myanmar and received a Nobel Prize relating to Myanmar — I don't know why they gave it to you. You have also received a lot of other degrees, awards, and prizes. Does Daw Suu Kyi really love Myanmar? If

you really love Myanmar, what have you done for the country and the people? Have you served the country? Have you fulfilled your responsibilities? Does shouting for democracy and human rights constitute expressing your love for the country?

I have seen the SLORC's development activities. If Daw Suu Kyi doesn't agree with the SLORC's work, with all her prize money, she should do something with all her prize money for the social development — education, health, and religion — of the country and the population. What have you done? Do you have any plans in this area? What assistance have you given?

Can assistance given to convicted felons and the families of prisoners be considered good for the country? Does helping felons mean democracy? In fact, I should ask these questions at Daw Suu Kyi's roadside weekend meetings; I have kept them to myself, however, because I feel my precious questions are not worth asking at the meeting.

In the view of employees, Daw Suu Kyi, the person who urged her followers to show discipline to express their love for the country, is creating disturbances and encouraging felons. Does a Nobel laureate's status mean giving roadside speeches? When I think about it, I just don't understand.

Burma: ABSDF Statement on Anniversary of Student Massacre

BK0707154396 (Internet) BurmaNet News in English
6 Jul 96

[Statement issued by the Central Leading Committee of the All Burma Students' Democratic Front on 7 July; place not given]

[FBIS Transcribed Text] 7th July, 1996 marks the 34th Anniversary of the massacre and the demolishing of Student Union at Rangoon University by the Burmese military regime.

Only four months after the military coup in 1962 by General Ne Win, he dismantled U Nu's democratic government, and blew up the Student Union building, along with hundreds of students inside. At that time, this historical Student's Union was a proud symbol of Burma's Independence struggle against the hegemony of the imperialist, and anti-colonialism.

The heroic defiance with which the unarmed students faced the dictatorship demonstrates their sheer dislike for the dictatorial rules that is denying their academic freedom.

Throughout history, the students of Burma have always been in the forefront of the struggle for independence,

democracy and human rights. Hundreds of students have made their supreme sacrifice in university, prisons, battle fields, alleys and on the streets for the restoration of democracy and human rights in our motherland.

For more than three decades, the military dictators have repeatedly shown their brutality by imprisoning, torturing, killing, and forcing thousands of people into labour camps.

In designing to enshrine the military's leading role in the country's constitution, it arrested the NLD [National League for Democracy] representative who opposed the National Convention and charged with section 5 (J) which is yet another manifestation of military's cruelty and odious greed, in their desire to hold on to power.

We would therefore like to urge the people of Burma

- 1) To preserve the spirit of 7 July,
- 2) To support Daw Aung San Suu Kyi and the NLD,
- 3) To boycott the sham National Convention,
- 4) To call for the release of all political prisoners,
- 5) To work towards the transfer of power to the elected representatives of 1990 elections and
- 6) To continue the struggle until democracy is achieved.

We would also like to request the international community

- 1) To impose trade sanctions and an arms embargo on the Burmese Junta,
- 2) To support Daw Aung San Suu Kyi and the NLD, and
- 3) To pressure the SLORC [State Law and Order Restoration Council] to stop the gross violations of human rights which they are now perpetrating throughout the country.

The ABSDF [All Burma Students' Democratic Front] strongly demands the SLORC:

- 1) To abolish the sham National Convention,
- 2) To release all political prisoners including prominent student leader Min Ko Naing,
- 3) To cancel all unjust laws and all forms stop human rights abuses, [as received]
- 4) To enter dialogue with NLD led by Daw Aung San Suu Kyi and ethnic leaders to bring national reconciliation, democracy and lasting peace to Burma.

We also ask the rank and file of the Burmese Armed forces to go back to their barracks and rightfully restore the dignity of the Armed forces that had existed during the days of General Aung San.

In addition, we the ABSDF pledges to the people of Burma, that we will continue the struggle until victory is won, and are ready to sacrifice anything come what may. [signed] Central Leading Committee All Burma Students Democratic Front (ABSDF)

Burma: Article Views Defense Services, Politics

BK1007032396 Rangoon KYEMON in Burmese

4 Jul 96 p 6

[Article by Sein Beida, former member of the Defense Services: "Politics Are Dead"]

[FBIS Translated Excerpt] The people had no one to turn to during the anarchic events of 1988 when there were beheadings, murder, looting of warehouses, and destruction of state-owned factories. The population had no security back then. When the Defense Services, which have a glorious tradition, intervened and took control of the situation, I was very thankful to them, both for myself and for the country. [passage omitted]

I again thank the Defense Services for not yet transferring power to the party that won in the free and fair elections held by the SLORC [State Law and Order Restoration Council] government. [passage omitted]

If one asks why I am grateful to the SLORC government for not transferring power after the elections, I will refer to the reply to a foreign journalist by the spokesman of the so-called NLD [National League for Democracy], a former officer of the Defense Services [U Kyi Maung], back when they were excited about their victory following the elections.

The journalist asked if leaders of the Defense Services heading the SLORC government would be tried in Nuremberg-fashion after the formation of the new government, following the transfer of power. Without much thought, the one who answered said that members of the SLORC would be tried immediately, before a tribunal, for their crimes.

Everyone knows that at the Nuremberg trials the British and U.S. allies gave death sentences to German and Italian defendants who started the Second World War.

Regardless of the country and the government, a country will be peaceful and a government will stay in power longer only if the government and the respective Defense Services are compatible. If they are incompatible, then the country will certainly suffer and the Defense Services will certainly stage coups, and there will be martial law in the country. Therefore, the government has to restructure the Defense Services so as to transform them into a pocket army of the government. [as published] If there are senior military leaders who do

not want to side with the government, the government must demote or retire them. If need be, the government must send them to jail. The government has to appoint reliable personnel to the important positions. These are inevitable procedures that must be carried out.

Let us say power is transferred to the NLD, the winning party in the election. What do you think they are going to do? We need not even ask this question because they have already said what they are going to do, even before assuming power. They will arrest the members of the SLORC and the cabinet. They will not spare the regional military commanders, chairmen of the state and division law and order restoration councils, and battalion commanders. It would be like this: Now we have the upper hand and we will teach you a lesson. They hold enormous bridges.

They have to do this when they come to power because they know they can lose their newly-attained power. They know the Defense Services can cause trouble from up close.

Therefore, it is certain that their priority is to strive to restructure the Defense Services so as to transform them into a pocket army. However, the question is whether the Defense Services will allow them to do what they want without objecting.

Our Defense Services personnel are not stupid. The now-defunct socialist party trained and educated us for years, so we have a considerable amount of political ideology and vision. Under the organization of the Defense Services leaders, we also share a spirit in which we will always be united, despite attempts to disintegrate the Defense Services.

I am not nostalgic for the socialist era. Although the socialist era slowed down our country's development, it is true that it has also benefited the country.

I cannot say for sure that all of our Defense Services personnel are smart. There may be some black sheep. Because of the current situation, the battalions and units of the Defense Services may defect and go underground when the party that gains power tries to restructure the Defense Services. Under such circumstances, they will seek assistance from their adopted fathers' [foreign powers] military units to suppress the underground battalions and units. The foreign troops will arrive very swiftly. Think; what will happen?

It is becoming increasingly clear that their party is a puppet party that is acting in accordance with the orders of the Western masters. They are receiving assistance from here and there, and acting like insolent slaves. How much does the Number One party leader [a reference to Aung San Suu Kyi] love her race and country and

uphold her race's prestige? Has she done anything constructive for the country and the people?

The old soldiers who are in [NLD] second-level leadership positions used to be our superiors; they once loved the country and took pride in being socialists during the heyday of the Burma Socialist Program Party.

They are not the same now. They have no shame and are not aware of the extent of their betrayal of the national cause. Their brains and eyes are being weakened by power and dollars.

I draw a lesson from their plight. The former generals and brigadier generals who were once invaluable to the country and who commanded us are now hanging on to the fringes of the sarong of a race-destroying woman, who is merely basking in another's [her father's] glory. [passage omitted]

If they come to power, then the internal peace, which it took many years to obtain, will disintegrate and the country's plight will be ten times worse than that of Bosnia. They will invite their adopted fathers to come in to take control of the situation. It will be a good opportunity for a group of imperialists looking for a military base in Southeast Asia. [passage omitted]

This is not my imagination. What I am saying is the truth; it will certainly happen. The state leaders have better vision than I. The international community — which criticized the SLORC for not transferring power to the party that won the election — now has considerable understanding of the SLORC's goodwill and undertakings. This is why I thank the SLORC government.

In the midst of all this, there are people who are dissatisfied with the government for not transferring power to them. She abuses the government and says various things while taking advantage of the SLORC's magnanimity, tolerance, and forgiveness; and these people think her act is an act of bravery and that her father's blood truly flows in her veins. Creating disturbances, they demonstrated in favor of, and demanded, an open market economic system. When prices go up because of the profit-oriented merchants and when people face difficulties, they blame the government. They believe prices will go down when an Aung San Suu Kyi government comes to power. They think food, drinks, and consumer products will arrive in bulk aboard ships and airplanes from the Western countries.

On 27 May 1996, they brazenly planned to demand the transfer of power, by inviting the elected representatives of the party to the conference; they also devised a plan to cause disturbances and create unrest by bringing the population into the streets, such as in 1988. The foreign

broadcasting stations, which air only a lot of lies, also instigated accordingly.

The government knew about it and prevented the situation in time. Now the towns and districts are filled with the sound of people tumultuously denouncing those who are wicked and who crave power. It is shameful to be given titles such as traitorous minions and destroyers of the race. I would commit suicide if people were to call me such things.

The politics of the destructionists are dead. Do not even think about making a living by engaging in politics and do not try to take a short-cut in this country. Politics are dead.

Burma: Article Says Suu Kyi Excluded From Politics

*BK0807151696 Rangoon MYANMAR ALIN
in Burmese 1 Jul 96 p 4*

[Article by Phone Gyi Lay (Dagon Taung): "Aung San Suu Kyi or the One Who Has Been Expelled and Excluded From the Myanmar Political Arena for Violating Parajika"]

[FBIS Translated Excerpt] Monks who are members of a religious order, and people who study Lord Buddha's disciples will be able to guess the title of this article when they read it. I mean the deep meaning of the word, Parajika [training precepts].

I am not a layman but a monk who is a member of the Buddhist Order. This is why, I have used the Pali word, Parajika, that I understand. Lord Buddha commanded the disciplines, and the training precepts for monks. There are 227 different training precepts in the abbreviated version, while there are more than 90 billion in the expanded version. There are four training precepts which are very important for Buddhist monks because they can end the livelihood and existence of Buddhist monks. Every Buddhist monk understands these training precepts as Parajika, and gives special importance to their observance. The violation of Parajika will bring about the expelling of a monk from the religious order, and excluding him from the good Buddhist monks and from performing all incumbent duties [if he engages in sexual activity, steals, kills a human being, and pretends and declares to have supernatural power.] [passage omitted on violation of four Parajika, and the difference in the lifestyles of Buddhist monks and laymen]

Now you understand that as one's life improves, one must also improve his or her restraints. Now let's look at the life of Daw Aung San Suu Kyi and how she has been excluded from the Myanmar [Burmese] political arena.

Daw Aung San Suu Kyi is not an ordinary person and she is not the daughter of a tricycle [tricycle is used as a taxi in Burma] driver. Actually, she is the daughter of General Aung San, a national leader respected by all Myanmar nationals, who sacrificed his life for independence, and who is the jewel of all Myanmar nationals.

So she is different from the daughter of a tricycle driver. This difference means there is a gap. Therefore, they have a different lifestyle and status. When there is a difference we have to consider the restraints. As one's life improves one must also improve his or her restraints. Otherwise it will go against nature. If one goes against nature then nature will mete out punishment on that person.

It is nothing for a fishmonger to yell and use abusive terms, but if a school teacher, who teaches disciplines to her students, acts like a fishmonger then the people will dispraise and frown upon her. It is because they have a different lifestyle and status. People in a higher status need a higher level of restraints. People in a higher status also need a higher level of national spirit which is in accordance with their status. While having a strong and growing national spirit one must avoid things that should be avoided, retain what should be retained, restrain what should be restrained, and follow what should be followed. How much did Daw Aung San Suu Kyi restrain from and follow things that are supposed to be restrained and followed?

Actually, she is extremely serendipitous. It is not ordinary karma to be the daughter of Gen. Aung San, a national leader. The karma of other Myanmar women will never be able to reach hers. This karma has beautified her existence, upgraded her status, and made her popular as the daughter of a great leader. Because she is the daughter of Myanmar's national leader and architect of independence, there were good opportunities for her to play an important role on the Myanmar political stage. But the Lawkiyawisitragadi, the activity in the world of nature, is phenomenal. Even though there is a high probability that something is going to happen, it will only happen if it is supposed to happen. One might not become what he or she wants to be. One might not get what he or she wants. One must understand this phenomenon. Unlike others, Daw Aung San Suu Kyi had many plausible and deserving opportunities but she destroyed all these opportunities by herself.

There are many national races with mettle in Myanmar and there is also a considerable number of them in foreign countries. Although there are many national races abroad she selected the wrong life partner. She has given her life to a person whose race enslaved Myanmar

nationals and exploited Myanmar for years, and issued arms and ammunition to ruthlessly kill her own father, the architect of independence. What a mistake!

She rejected persuasions and suggestions from her mother and brother, and decided to marry and live with that man [thakaung thagyi], and now she has two mixed-race sons. She totally forgot about Myanmar's land and water and enjoyed her life in white-faced people's countries for 28 years. Her life is similar to a bloodless shrimp, and her national spirit has been destroyed.

One can see a situation clearly only if comparisons are presented in black and white. Recently, I read a report in a newspaper on the selection of Prime Minister Bhutto's life partner. (1) He must be a Pakistani national, (2) His religion must be Islam, and (3) He must not interfere in her political affairs. It was too late for Daw Aung San Suu Kyi to follow and admire this [kind of idea].

Concerning her position, Daw Aung San Suu Kyi, until today doesn't know where she stands. It is amazing to see that she is pretending not to know. Buddhist scriptures say that due to bad karma, the conscious mind of creatures perceives what is wrong as right when the time arrives for them to be destroyed. Daw Aung San Suu Kyi is unable to see the true situation. She has stopped thinking about what she cannot become, and she has been stubbornly striving to gain state power since the 1988 disturbance.

I thought again and again whether she should get state power and become a state leader; whether she deserves to get state power and become a state leader; whether there is a possibility for her to gain state power and become a state leader. It concerns the whole nation so one cannot think about this matter lightly. One must also consider the possible dangers that may befall Myanmar.

God forbid. Let's say all state powers of Myanmar are in the hands of Daw Aung San Suu Kyi and she has become a great leader. Nowadays, there are some women in Myanmar who are looking up to foreigners and marrying them for financial reasons. I have read quite often in the newspapers about such marriages. A few days ago, I was invited to a wedding reception, and was distressed when I realized that it was a marriage between a Myanmar woman and a foreigner. I hope these women are not following the steps of Daw Aung San Suu Kyi.

When there is a role of leader and followers to play in this world, the majority of the followers observe their leader. Therefore, the majority of the Myanmar women will observe Daw Aung San Suu Kyi and follow her path that will lead them to marry foreigners. Then they will say what is wrong with marrying a foreigner, we get dollars, and we also enjoy a good life; and they will shout loudly that this is why our great leader, Daw Aung San Suu Kyi, is welded [gaheset] to a pure British citizen. That is why wise men referred to a Yazawwada [Buddhist story] play — explained by Lord Buddha —

that said that if the head of the herd goes straight then the herd will go straight; if the head of the herd zigzags then the herd will zigzag too.

How is she going to control this kind of destruction of patriotism? It would be futile for Daw Aung San Suu Kyi, who delightedly took a foreigner as her loving husband, to tell Myanmar women not to marry foreigners and to have patriotism. The existence of the country depends upon patriotism. If we have full patriotism then we can strive and overcome, and rebuild the country regardless of the situation. If the whole nation loses its patriotism then Myanmar will disappear from the world map or only its name may remain. Because of these reasons, the answers to the above-mentioned questions are that she should not get state power and should not become a state leader; she does not deserve to get state power and does not deserve to become a state leader; there is no possibility for her to gain state power and become a state leader. I was not satisfied with that, so I did more thinking.

Let's say she became a state leader. It is not good at all for all of Myanmar to live anymore if Daw Aung San Suu Kyi, our state leader, gives orders to citizens in her arrogant and stylish manners during the day, but serves at the feet of the long-nosed foreigner at midnight. The Myanmar people should kill themselves. That is why, my answer is absolutely no.

With my explanations, we can come up with a nice answer for Daw Aung San Suu Kyi. She, like a Buddhist monk who has violated the four training precepts and has been expelled from the religious order, has made the wrong choice in selecting her life partner. She has violated the great traditions; a violation that no Myanmar can forgive.

That is why, she lost her right to participate in Myanmar's political arena, and she has become the one who has been expelled and excluded from Myanmar's political arena. She is like a person whose head has been cut off, or a dry leaf that fell from a tree, or a broken rock-slab, or a short stump of toddy palm. [All these indicate that she is useless.] So she should not think about engaging in politics and working to gain state power.

What should she do? Some ask her to leave the country. I have a different idea. A monk who has been expelled and excluded from the religious order for violating the four training precepts can save himself from being sent to hell [Theggandare, Maggandare] by becoming a layman and doing good deeds. In the same manner, if she turns her back on politics and participates in the people's constructive works by contributing her knowledge, then she will be able to acquit herself of posing a danger to the state. It would be like repaying her historical dues to the country. I think this should be

done. I want this to be done. That is why, I wrote this article.

**Burma: Writers Association Denounces
'Destructionist Elements'**

*BK0107043396 Rangoon TV Myanmar Network
in Burmese 1330 GMT 30 Jun 96*

[FBIS Translated Summary] A meeting of the Central Executive Committee of the Myanmar [Burma] Writers and Journalists Association continued for the second day today in Yangon [Rangoon].

The meeting discussed and endorsed the report of the central committee, a report on the responsibilities of the writers and journalists toward national construction, and a report reviewing magazines.

Dr. Tin Tun U, joint secretary of the association, tabled a motion "to express support for the nation-building endeavors of the State Law and Order Restoration Council [SLORC] and to denounce destructionist elements." He said the SLORC's national endeavors known to the nation and the world. He pointed out the "unprecedented national unity currently existing" in the country among "the indigenous people of the Union who are establishing a peaceful path." He also praised the SLORC's economic and social achievements.

He said that "while such success is being achieved, remnant neocolonialists are resorting to various means to return Myanmar to servitude. He said people throughout Myanmar overwhelmingly oppose and denounce these destructive elements. He said: members of the Writers and Journalists Association, together with the people of Myanmar, must overwhelmingly denounce the destructionist elements.

The motion was seconded by Daw Win Win Myint, alias Ma Kyee Tan, association committee member from Kyaukse, and Tin Nyunt, alias Maung Haeman, executive committee member and journalist from Loikaw.

The meeting ended after the motion was endorsed.

**Burma: Article Notes Villagers Want Suu Kyi To
Leave Country**

*BK0307123996 Rangoon MYANMAR ALIN
in Burmese 29 Jun 96 p 3*

[Article by Ywaga Sein Kyauk Kaung: "Telling the Truth Whenever There is One"]

[FBIS Translated Excerpt] I am a peasant and grew up in the rural areas. My village has 80 households and the villagers are all Burmese Buddhists. I am writing this letter on behalf of all the villagers who have urged me to do so. As we are all Burmese Buddhists, we cannot

tolerate any offense against our race. At present, we have two convictions: nonacceptance and acceptance.

1. Beginning with nonacceptance, when the 1988 disturbances took place, the villagers had never seen or heard Me (young lady) Suu Kyi, and thought she was Burmese. In campaign speeches before the elections, the military government was blamed for destroying the country, killing the population, cutting off supplies, burning villages, torturing people, and so on. The people were told that they should vote for Daw Suu Kyi, who would stand by them and defend them. They were also urged to support her, and were told that everyone was voting for her. The villagers were deceived and became very angry with the military government, and they voted for Me Suu Kyi.

After careful study, we found that Me Suu Kyi was not as pure as we thought. When we discovered that although she is Burmese her husband is a foreigner — an Englishman — we were demoralized and regretted having voted for her. We wonder whether she still possesses a spirit of patriotism, since she married an Englishman, and we think she will favor her husband and children. That is why we absolutely do not believe Me Suu Kyi's expressions of love and pity for Myanmar [Burma], and her vain promises to develop and transform Myanmar into a modern and developed nation. [passage omitted]

Me Suu Kyi says she loves Myanmar, wants to develop it, and wants to relieve the population's suffering. In word only, however. In reality, her residence overseas, her marriage to a foreigner — an Englishman — and her living with him abroad proves that she does not love this country and its people. We do not believe in what Me Suu Kyi says, because we have clearly seen her deceptions and cannot recognize in her a citizen of Myanmar. In our country, we do not elect a woman as leader. It is also not the tradition.

That is why the villagers urge Me Suu Kyi, an unpure Myanmar, not to destroy the race by letting Myanmar ladies marry foreigners, as she has done, and to return to where she came from. The Myanmar people are also forewarned.

2. What, to this day, we accept are the distinguished leaders — beginning with General Aung San [father of Aung San Suu Kyi] — who have governed Myanmar. Among successive governments, the efforts of the current military government, or the SLORC [State Law and Order Restoration Council] government, to develop the country have been outstanding. Although, before, the villagers looked down on the military government, they now have high regard for it, and also support it and agree that it should continue to lead. Furthermore, we are very happy and proud because we have clearly

seen that the military government has worked earnestly, bravely, and selflessly — not with words but with deeds — for the benefit of the country and the people.

Had we had known earlier that Me Suu Kyi had a British husband, we would not have voted for her. We would not vote for her again and, were it possible, we would even like to withdraw our previous votes. In future, we cannot consider Me Suu Kyi a pure Burmese, and cannot give her our support. The entire village pledges to support the government of our own nationality. We are thrilled and very satisfied to see the Burmese people's support for the military government, just like foreign countries that confer the Nobel prizes. What we have realized is that elephant grass destroys the sword, liquor destroys human beings, and axe-handles destroy races. [allusion to Burmese poems] [passage omitted]

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Closer Malay, Chinese Community Cooperation Urged

BK0707144896 Kuala Lumpur SUNDAY STAR
in English 7 Jul 96

[Report by Shamsul Akmar — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The Chinese community needs new approaches to enable them to have closer and more effective co-operation with the Malays, said Prime Minister Datuk Sri Dr Mahathir Mohamed.

"Probably then, the over-emphasis on negativity and ignoring the many positive things which had been enjoyed by the Malaysian Chinese can be reduced," he said.

Dr Mahathir said there had been much talk about Melayu Baru [New Malays] and UMNO [United Malays National Organization] and that the Government had tried to change the culture or values system of the Malays and other bumiputras [indigenous people] so that they have self-confidence, and are better able to compete economically without being too dependent on the Government.

"Malaysian Chinese, too, need such renewals.

"I will not suggest what new approaches are needed because I'm sure there are many sociologists in the Chinese community who are capable of studying and making suggestions," Dr Mahathir said when opening the 43rd MCA [Malaysian Chinese Association] general assembly here yesterday.

He said Malaysian Chinese should count their blessings. "When we realise the good fortune we have enjoyed, we will be more calm.

"The Malays, too, have been urged to realise the blessings they are enjoying.

"If both communities accept this, our country will continue to be stable and progress," said the Barisan Nasional [National Front] chairman.

Dr Mahathir said there were many Chinese, especially the younger generation, who were dissatisfied with MCA's moderate style and its readiness to work with UMNO.

"Many Chinese, especially those from urban areas, have urged the MCA to become more chauvinistic and demand the rights of the community in economy and education without giving any thought to political stability.

"These people are narrow-minded and refuse to acknowledge the sacrifices made by UMNO and the Malays," he said.

Hence, Dr Mahathir said, these Chinese enjoyed reading news claiming that the community was not getting proper treatment and would support opposition parties which are ultra-chauvinistic.

"I wish to remind you that if UMNO and MCA are not moderate or do not co-operate, the country's politics will become tense and its economy will suffer.

"In the end, nobody gains. Look at other nations where approaches which are extreme influence their politics — there is no economic progress."

Dr Mahathir said there was no doubt that the UMNO-MCA bond was the thrust of Barisan's strength.

"In 1987-88, when UMNO was declared illegal, MCA led Barisan. Although it was for a short period, it was very meaningful.

"It shows that when UMNO placed its trust in MCA, other component parties did not question MCA's leadership. With that, UMNO's crisis did not affect Barisan's credibility and our country continued to be stable," he said.

Dr Mahathir said the nation had leapt forward and its position had changed extensively.

"Malaysia is no longer a country that no one knows. Instead, anywhere in the world, Malaysia and Malaysians are well-known.

"This proves that the Government's policies are accurate and timely. Surely our economic policy, together

with other policies like Malaysia Incorporated and privatisation, have developed our nation."

These policies, he said, had not led to enmity between the races or jeopardised the political front.

He said all the policies were shaped through the co-operation of Barisan component parties, especially between UMNO and MCA.

"All MCA members, especially the younger ones, should know that co-operation between the races and parties was spawned by the UMNO Kuala Lumpur and MCA Kuala Lumpur co-operation in 1951.

"From these small ties, the Alliance was formed and grew into a giant in the form of Barisan, a coalition of 14 political parties," he said.

Dr Mahathir said the co-operation celebrated its 45th anniversary this year.

"It went through numerous challenges and crises but with sound minds and common sense, we managed to overcome the tensions.

"Every time we overcome problems in our relationship, UMNO-MCA bonds become closer and stronger."

Malaysia: Chinese Party Meeting Ends, Resolutions Adopted

БК0807081796 Kuala Lumpur THE STAR in English
8 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The MCA's [Malaysian Chinese Association] 43rd annual general meeting unanimously adopted the following resolutions yesterday:

POLITICS

— Call for unity among members and strengthen the position of Malaysians and the Chinese community in accordance with Vision 2020.

— Continue to play a meaningful role in Malaysian society in future.

ECONOMIC

— Support the objectives of the Seventh Malaysia Plan and urge the Government to ensure that all communities get a fair share of all benefits under the Plan.

— Support the Sino-Malay joint venture concept by the Government and urge Chinese and Malay entrepreneurs to seek sincere co-operation in their business ventures.

EDUCATION

— Support the party's move to expand Tunku Abdul Rahman College and the concept of foreign universities setting up branch campuses so that Malaysians could have access to tertiary education at lower costs.

— Express concern over problems especially teachers' shortage in Chinese schools and urge the Government to take appropriate steps to resolve the problems.

— Urge the Government to take action to set up Chinese primary schools in new Chinese-majority residential areas.

CULTURE

— Support the party's move to work closely with the Federation of Chinese Assembly Halls to promote long term programmes for the development of Malaysian Chinese culture.

— Welcome the Rakan Muda [young friends] programme and support the motivation seminar sponsored by the Youth and Sports Ministry.

SOCIAL

— Support all government measures to stamp out activities which will jeopardise social security and order.

— Support all government measures to combat drug abuse and to call on the Chinese to co-operate with the Government.

PARTY AFFAIRS

— Call on all candidates contesting in the party elections to discard any ill-feelings created during the contests and to work together in the spirit of comradeship.

— Support the party's plan to build a National Training Centre in Bangi and in other states to enhance the quality of party members. — Support the party president's call to strengthen the Langkawi Project's implementation.

Malaysia: Visiting Uruguayan President Signs Agreements

PY0507213496 Madrid EFE in Spanish
0929 GMT 4 Jul 96

[FBIS Translated Text] Kuala Lumpur, 4 Jul (EFE) — Uruguay has signed an agreement and two bilateral cooperation memorandums with Malaysia and it has offered its territory to Malaysian companies as a place of operation and door of entrance to the Common Market of the South (Mercosur).

Uruguayan President Julio Maria Sanguinetti, who will be invested today with the "honorary doctor degree" by the University of Malaysia, the oldest in the country, dedicated the second day of his official visit to Kuala Lumpur to discuss the economic aspects of this trip.

Sanguinetti arrived in Kuala Lumpur for a four-day official visit on 2 July. His entourage includes three ministers and a delegation of outstanding Uruguayan entrepreneurs. The delegation has the purpose of promoting the two countries economic and political relations.

Sanguinetti was received by Malaysian Prime Minister Mohamed Mahathir yesterday. He also inaugurated a seminar on business opportunities and investments in Uruguay. At night he was the honored guest at a dinner offered by Paramount Ruler Sultan Tuanku Ja'afar ibni Al-Marhum Tuanku Abdul Rahman.

The two leaders discussed ways to increase the two countries' bilateral relations, particularly in the area of economic cooperation.

The Uruguayan president offered his country to Malaysian entrepreneurs and invited them to participate in investment and development projects in the national territory, which can be used to exploit Mercosur's economic potentials.

Mercosur, the most dynamic regional bloc in South America, is made up of Argentina, Brazil, Paraguay, and Uruguay, and has a population of 200 million people, but the bloc's population will increase following Mercosur's association agreements with Bolivia and Chile.

Among the areas for economic cooperation offered by Sanguinetti to Malaysia's potential investors are two projects in the area of transports, the construction of electricity generating plants, and the installation of a factory to assemble the "Proton," the Malaysian national car.

Sanguinetti invited Proton to produce cars in its territory and to take advantage of its quota to export cars to Brazil and Argentina.

Uruguay, as a member of Mercosur, has a quota for exporting cars to other members, but the country lacks a national car industry.

Proton recently signed an agreement of intentions with the Uruguayan Government to start the export of its models to Uruguay. The program is expected to start at the end of this year.

Mahatir, in turn, mentioned to Sanguinetti that there are great opportunities for Uruguay in the Asian and Pacific region, particularly in the Association of Southeast Asian Nations (ASEAN).

Mahatir said that "there is a tremendous field for growth and cooperation between both regions" and invited Uruguay to use the Asian country as door of entrance for its products to Asia's market.

ASEAN was founded 29 years ago. It comprises seven countries: Brunei, Philippines, Indonesia, Malaysia, Singapore, Thailand, and Vietnam.

Sanguinetti and Mahatir's meeting ended with the signing of a cooperation agreement in the economic, scientific, and technical areas. The document was signed by Uruguayan Foreign Minister Alvaro Ramos and his Malaysian counterpart Abdullah bin Haji Ahmad Badawi Datuk, who also attended the meeting.

Agriculture Minister Sulaiman Daud Datuk and Alvaro Ramos signed two memorandums on cooperation and exchange of information on medicine, veterinarian health, and plant health measures.

The two countries also agreed to establish conditions to increase the export and import of meat products.

Malaysian Paramount Ruler Sultan Tuanku Ja'afar ibni Al-Marhum Tuanku Abdul Rahman during a dinner in honor of Sanguinetti at the Istana Negara Palace said that ASEAN and Mercosur should find a path for cooperation.

"There are many areas of interest such as investments, commerce, and tourism where the two countries can benefit with cooperation and the exchange of experiences," the king said.

In 1995, total trade between Malaysia and Uruguay was only about \$40 million, Malaysian exports reaching around \$23 million.

Malaysia: President of Uruguay Discusses Trade, Concludes Visit

BK0607091496 Kuala Lumpur THE STAR in English 6 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Visiting Uruguayan President Dr Julio Sanguinetti wants more exchange of trade missions to boost bilateral trade, which is now negligible.

Dr Sanguinetti is optimistic Malaysia will become an important trading partner for his country in the near future.

"We have to get to know each other better and I am optimistic of closer relations which is further enhanced by Malaysia's relations with other Latin American

countries," he told a press conference yesterday on the eve of his departure.

Since his visit which begun on Tuesday, Dr Sanguinetti had repeatedly invited Malaysians to invest in Uruguay and offered Montevideo as the gateway to the Mercosur [South American Common Market] area which groups Argentina, Brazil, Paraguay and Uruguay.

He said the stable political climate, growing economy and low inflation rate were among factors which were ideal for foreign investment.

"We have no discrimination between domestic and foreign investors, there is free movement of capital and we are going to introduce new laws to encourage investments," he added.

Dr Sanguinetti visited the Proton plant in Shah Alam yesterday and spent about an hour touring the factory.

At a separate ceremony, General Hotels Management, which runs Carcosa Seri Negara [State Guesthouse], signed a management contract with Los Petalos S.A, the developer of a five-star hotel in Uruguay.

Malaysia: Butrus-Ghali's 'Failure' as UN Head Viewed

BK0507134296 Kuala Lumpur Voice of Malaysia in English 0810 GMT 5 Jul 96

[Station commentary]

[FBIS Transcribed Text] As things stand now it is so clear cut that Butrus Butrus-Ghali has failed miserably as United Nations' secretary general. Now he is seeking reelection. Countries now deciding to support him or someone else should carefully evaluate his performance.

As far as Malaysia is concerned, it is more concerned about having someone who is fair and just. The last thing it wants is someone who constantly plays along the tune of the superpowers and worse still being at expense of others.

This is true of Butrus Ghali. His service record speaks for itself. Although an African, his initially well-received appointment has been a big disappointment, especially to the developing countries. Under him, the gap between the rich and poor countries of the United Nations has widened. What is clear in his dealings is [words indistinct] to appease the superpowers and be in their good books. In fact, while the United Nations was supposedly undertaking peacekeeping jobs in many parts of the world, it was the United States which was calling the shots. In Somalia, it was reported that the United States Quick Reaction Force were the ones who started skirmishes with the warlords.

Here the United Nations became the scapegoat by taking the blame. The United States is also the world body's largest debtor, yet he has not been able to force it to pay up its dues. Efforts to this end has so far been limited to nothing more than rhetorics.

The United States is using its call for a reform of the United Nations as an excuse not to pay up. The question is just how does the United States want the world body to be reformed. All this effort makes the United Nations' job of beefing up its peacekeeping forces difficult indeed.

The reality is that the United Nations is broke. Even more exasperating is that the United Nations as a body representing the consensus of all countries is more skewed to do what the United States prefers. Here the secretary general has failed miserably to take a tough stand, but its worst demeanor was its inability in dealing effectively with the Bosnian issue. His indecisiveness and lack of force led the Bosnian Serbs to defy just about every UN order for a cease-fire.

Even when peacekeeping troops were being killed, no action was forthcoming. The result was a tragedy. The gravity of which is yet to be unraveled fully. Untold numbers of Bosnia Muslims were massacred, but the United Nations didn't say a word.

Malaysia, on its part, sent troops to help in peacekeeping forces, but there was only so much it could do. In several instances, Butrus-Ghali was said to be standing in the way of actions taken by the North Atlantic Treaty Organization to defuse the Bosnian problem.

On its 50th anniversary, the United Nations was clearly seen as a weak body. No wonder Prime Minister Datuk Sri Dr. Mahathir Mohamed stayed away from the celebrations. In fact, there was nothing to celebrate. There has to be a change at the United Nations and it must start with the secretary general. It is of utmost importance that the post is filled by someone who discharges his duties without fear or favor.

Malaysia: Prime Minister Condemns Foreign Press for Criticisms

BK0607091596 Kuala Lumpur THE STAR in English 6 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Johor Bahru — Prime Minister Datuk Sri Dr Mahathir Mohamed hit out at the foreign press yesterday for blindly criticising the Government and him despite enjoying the fruits of development in the country.

He said this group, some of whom were locals or Malaysian-based foreign journalists, would not stop at anything in making negative reports about the country.

"I cannot understand these people. They are having a good life in this country because the Government, together with the private sector, is committed to providing a good life for the people.

"But some people cannot write anything nice on Malaysia even though they live in Malaysia and enjoy the fruits of development here.

"All they can think of is how to run down their own country or the country they enjoy living in," he said when launching the first phase of the Johor Baharu Waterfront City project which is being developed by Johor Coastal Development Sdn Bhd [Private Limited] (JCD) here yesterday.

As an example, Dr Mahathir said he was sure that the foreign press would say that JCD executive chairman Hong Lee Pee was successful only because he was a friend of the Prime Minister.

Dr Mahathir said the foreign press were quick to accuse the Government of ensuring success only for his friends.

"I am sure that our friends in the foreign press, in particular the FAR EASTERN ECONOMIC REVIEW, will say that Hong is where he is because he is my friend.

"In Malaysia, many people have succeeded and Malaysia will not be where it is today if only the PM's friends succeed.

"I would like to stress that whether they are my friends or not, no one will succeed if he does not have the capability, know-how, skill or money.

"I have thousands of friends who are as poor as a church mouse because they do not possess the capabilities," he added.

Dr Mahathir said the Government would only help those who had the ability to carry out the projects given to them.

"We are committed to Malaysia Incorporated where we have a 30 per cent stake in every project and make handsome profits without having to invest any capital," he said.

He added that the Government made RM [Malaysian ringgit] 22 billion in taxes last year with a substantial amount coming from corporate tax.

Malaysia: Anwar Criticizes West for Colluding Against Dam Project

BK0807101696 Kuala Lumpur NEW SUNDAY TIMES in English 7 Jul 96 p 9

[Report by Daniel Chan in London]

[FBIS Transcribed Text] The West is ganging up against Malaysia on the RM [Malaysian ringgit] 15 billion Bakun hydroelectric dam project in Sarawak, Deputy Prime Minister Datuk Sri Anwar Ibrahim told Malaysian students here.

"Bakun is important to us because in the year 2003 we will have problems due to an acute shortage of electricity power," he said during a 90-minute session at the Malaysian Students Department on Friday.

"The western world, it seems, is ganging up against us. I heard a CNN report last night in which a (person from) Malaysian non-governmental organisation was asked what he thought about the Bakun project.

"He said Bakun is a Peninsular project, that the company is Peninsular-owned, and that they are exploiting those in Sarawak.

"Ekran, the company (which undertakes the Bakun project), is a Sarawakian-owned company and the majority stake in the project is held by Sarawak."

Anwar, who is also the Finance Minister, left Malaysia on Thursday for a five-day official visit to the United Kingdom and Ireland.

Commenting on criticism directed at him over the project, Anwar said:

"The Prime Minister supports the project. The Cabinet supports the project. I was given the responsibility to oversee it and I took it.

"If you are in the Cabinet and you read the report on an acute power shortage by the year 2003, verified by all the experts, what do you do? You have to do something, decide on a major project.

"I can't say I will think about it for two years. There's a difference between a non-governmental organisation and somebody entrusted with authority. We have to decide.

"At the time, the only option available was the Bakun project, it does not use oil, coal, gas, nuclear power.

"The country is moving at a very fast pace, so we went ahead."

Anwar also commented on the RM2.9 billion losses by the Perwaja Group [Steel company] and on why

its former managing director Tan Sri Eric Chia had remained silent.

"We are not defending Chia. The matter is being investigated by the police and the Anti-Corruption Agency," he said.

"We have not brought charges because, as I have said in the Parliament based on the Price-Waterhouse report, not all of Perwaja's losses were due to misconduct. Statistically, the steel industry is not an easy one to make profits.

"We admit that there is a general problem but we do not want the general perception to be that all the problems were caused by one person. As such, we take an attitude which is more impartial.

"Ultimately, whether there has been wrongdoing or not, it would be more proper to leave it to the authorities concerned, namely the police and the Anti-Corruption Agency."

Anwar also cautioned Malaysians not to be lulled into complacency.

"There is much said about our success, and told repeatedly that we've achieved excellence in growth and development.

"But the moment we are lulled into complacency we will not have the drive and discipline to do more, and to maintain a faster pace than others."

Malaysia: Statistics Department Reveals Lower Trade Deficit

BK1007101896 Kuala Lumpur Voice of Malaysia in English 0800 GMT 10 Jul 96

[FBIS Transcribed Text] Malaysia recorded a trade deficit of 265 million ringgit in April this year. In March, the country had a surplus of 524 million ringgit.

The Statistics Department, in releasing the interim trade data, said imports in April were valued at 16.2 billion ringgit, while exports amounted to 16 billion ringgit.

Malaysia's cumulative balance of trade in the first four months of this year showed a deficit of 1.6 billion ringgit. This is lower by 24.3 percent or 518.18 million ringgit compared with the deficit of 2.1 billion ringgit in the same period last year.

Malaysia: Mahathir Clarifies Rumors About Opposition Leader

BK0707094696 Kuala Lumpur SUNDAY STAR in English 7 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The decision to bring Parti Melayu Semangat 46 [Malay Party Spirit of 46] president Tengku Razaleigh Hamzah back into UMNO [United Malays National Organization] is not to check Datuk Sri Anwar Ibrahim's influence and position in the party, Datuk Sri Dr Mahathir Mohamed said yesterday.

Talk of the move being an attempt to undermine and subvert Anwar is merely rumour, he said.

"I wish to state here that this is not true at all.

"My relations with Anwar are very good ... moreover he reports to me almost every morning. We always discuss problems in the party and Government, and we take decisions on matters arising," he told reporters after the UMNO supreme council meeting yesterday.

Anwar was not at the meeting as he is on a five-day visit to Britain.

The UMNO president hoped that Razaleigh would not believe foreign reports which claimed that his intention in admitting Razaleigh was to check his deputy's position in the party and Government.

Dr Mahathir said it was not his intention to change the UMNO deputy president or give him a chance to replace him (Dr Mahathir) when he retires.

"This is not my admission that I am retiring now. I am talking about the future," he added.

When asked about two of his former deputies who never made it to the UMNO presidency, he said: "That is not my fault. Tan Sri Musa Hitam intended to quit while Tun Ghafar Baba was challenged (by Anwar), and I could not stop it."

Dr Mahathir said the supreme council also decided to accept Semangat members who wished to join UMNO but hoped that its leaders would dissolve the party before the move was made.

He said if Semangat was not dissolved, it would be used by certain quarters against UMNO.

Dr Mahathir said there were attempts by PAS [Pan Malaysian Islamic Party] to maintain Semangat through certain leaders.

"We are also aware that PAS is trying to woo Semangat members. Those with position are willing to join PAS in order to retain those positions," he said.

Dr Mahathir said the question of co-operation with Semangat, whether outside Barisan Nasional (National Front) or within the coalition, did not arise at all.

He said Semangat members would be given equal treatment as UMNO members when they joined the party, including the right to contest any party position.

Malaysia: Anwar 'Touched' by Mahathir Confidence, Rejects Tension

BK0807074096 Kuala Lumpur THE STAR in English
8 Jul 96

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] London — Deputy Prime Minister Datuk Sri Anwar Ibrahim said yesterday he was touched by what Prime Minister Datuk Sri Dr. Mahathir Mohamed had said in expressing confidence in him.

Anwar hoped that the Prime Minister's statement would wipe away the "uneasiness" that was fermented by the foreign media over their relationship.

"I also hope that Dr. Mahathir's statement would put an end to all speculation he said after a meeting with heads of Islamic organizations in England.

Dr. Mahathir had said that there was no truth in the suggestion that he wanted Tengku Razaleigh Hamzah, who is Parti Melayu Semangat 46 (Malay Party of the Spirit of 46) president back in UMNO (United Malays National Organization) to check Anwar's influence.

Anwar hoped that UMNO members would continue to give their undivided support to Dr. Mahathir in leading the party and the nation.

Asked why there were still groups which questioned his state of relations with Dr. Mahathir, Anwar said they were bent on this due to "jealousy, greed for power. It is a pity they tried to strain our close ties."

Malaysia: Deputy Premier Explains Steel Plant's 'Huge' Losses

BK0707134596 Kuala Lumpur SUNDAY STAR
in English 7 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] London — Foreign exchange losses and the appreciation of the yen had contributed to Perwaja's insolvency although elements of irregularities were detected in the state-owned steel mill, Deputy Prime Minister Datuk Sri Anwar Ibrahim said yesterday.

At a dialogue with Malaysian students here, Anwar, who is also Finance Minister, said he wanted to clear up the misconception that Perwaja's huge losses were all due to irregularities.

"Firstly, there were management actions that did not follow regulations.

"Secondly, losses resulted from several decisions made, including purchases and payments deemed irregular for not adhering to spending regulations, but what I wish to clarify is the general perception that the losses were wholly due to irregularities ... this is not true," he said.

At a press conference for Malaysian journalists later, Anwar said what he disclosed in Parliament in connection with Perwaja's losses was based on an audit report by accounting firm Price Waterhouse.

Perwaja suffered losses exceeding RM [Malaysian ringgit] 2 billion due to mismanagement. The Government has appointed Maju Holdings and Lion Group to lead efforts to turn it around.

"We do not want the general notion of blaming one person for the whole problem," Anwar said.

The Perwaja issue cropped up at the dialogue when Anwar was asked if it was true that the losses were played down because one of those involved in Perwaja is close to Prime Minister Datuk Sri Dr Mahathir Mohamed.

During the dialogue, Anwar also dismissed the notion that the Bakun hydroelectric dam project in Sarawak was not a national priority and was only continued at the request of Dr Mahathir.

The proposal to build the Bakun dam was supported by the Cabinet and was not a decision made by Dr Mahathir only, and the project would benefit not only one contractor in Sarawak, Anwar said.

"Bakun is a Malaysian project. This is not Dr Mahathir's project. The Cabinet supports it and the Economic Planning Unit supports it," he said.

Anwar arrived here on Wednesday [3 July] for a three-day official visit at the invitation of the British government.

Cambodia

Cambodia: 'Jovial' Sihanouk Arrives in Phnom Penh

BK1007073496 Hong Kong AFP in English
0714 GMT 10 Jul 96

[FBIS Transcribed Text] PHNOM PENH, July 10 (AFP) — King Norodom Sihanouk of Cambodia arrived back

home Wednesday after a nearly three-month absence that had been punctuated by serious political crises in Phnom Penh and major personal health problems.

The 73-year-old monarch looked jovial, smiling and waving to a small crowd of government officials and diplomats as he emerged from a government plane, a garland of flowers around his left wrist.

The monarch, who spent the last two months undergoing medical treatment in Beijing, had not stepped foot in his homeland since leaving for a state visit to France on April 18.

His return came just two days after bickering co-Premiers Prince Norodom Ranariddh and Hun Sen left Cambodia for Japan to attend a conference of international donors.

Acting co-premier Ing Kiet told reporters at Pochentong International Airport: "The king is a symbol of national unity and reconciliation. So all Cambodians want him back because people will be comfortable."

Cambodia: Sihanouk Admits to 'Serious Health Problems'

*BK1007075096 Hong Kong AFP in English
0744 GMT 10 Jul 96*

[FBIS Transcribed Text] PHNOM PENH, July 10 (AFP) — King Norodom Sihanouk of Cambodia, saying he felt with weak with "serious health problems," arrived back home Wednesday after a nearly three-month absence punctuated by political crises in Phnom Penh.

The 73-year-old monarch looked jovial, smiling and waving to a small crowd of government officials and diplomats as he emerged from a government plane, a garland of flowers around his left wrist.

The king told reporters clustered at the end of the greeting line at Pochentong International Airport: "I am still feeling weak but I miss my children very much. I tried to return as soon as possible"

"I am weak because I have serious health problems, as you already know. But I am very glad to be back and meet my beloved children," he said, in a typical reference to the Cambodian public.

The monarch had been receiving treatment in Beijing for a mild stroke which left him temporarily paralyzed and unable to travel.

His return came just two days after bickering co-Premiers Prince Norodom Ranariddh and Hun Sen left Cambodia for Japan to attend a conference of international donors.

Acting co-premier Ing Kiet told reporters at the airport: "The king is a symbol of national unity and reconciliation. So all Cambodians want him back because people will be comfortable."

King Sihanouk's return had been postponed for 24 hours after foul weather on Tuesday forced his place to return to Beijing after a making an unscheduled stop in southern China.

Cambodia: Official Cites Report Saying Pol Pot 'Still Alive'

*BK1007101296 Hong Kong AFP in English
0951 GMT 10 Jul 96*

[FBIS Transcribed Text] PHNOM PENH, July 10 (AFP) — A senior Cambodian official said Wednesday that the country's intelligence services had received conflicting accounts about Pol Pot, reported last month to be fatally ill or indeed dead.

"Our technical intelligence reports say that Pol Pot is 100- percent dead, but we have another report from a Khmer Rouge defector that says he is still alive," co-Interior Minister and acting co- Premier Sar Kheng told reporters.

Sar Kheng, who did not elaborate on these remarks, is the first official to go on the record to say that reports of Pol Pot's death exist.

Previously, officials had only said that Pol Pot was alive or that they did not know.

No government or intelligence service has so far been able to confirm the whereabouts of Pol Pot, who has not been seen in public in at least 15 years, since he was first reported dead or deathly ill last month.

At least one report says that Pol Pot was buried under a tree at the rebels' stronghold of Phnom Malai near the Thai border, a senior intelligence officer told AFP.

He said the report indicated that Pol Pot was not cremated because the guerrillas intended to bring the coffin to Phnom Penh for a proper ceremony should they retake power.

But earlier this week, a senior military commander told reporters he had heard that Pol Pot was alive and living with 10,000 followers near the rebels' base of Anlong Veng in Cambodia's northern province of Siem Reap.

This information was however almost immediately discarded by co- Ministers of Defense Tie Banh and Tea Chamrat as well as Khmer Rouge experts who noted that estimates of the guerrillas' total strength in terms of civilians and soldiers were lower than 10,000.

"I suppose if all of them were living in Anlong Veng, it would be possible but we know that they are carrying on operations in many other places, so it isn't likely," said one expert.

On June 6, AFP reported that intelligence reports from both the Cambodian ministries of defense and interior indicated that the 68-year-old Khmer Rouge chief was either dead or about to die.

These reports fit with another from Beijing, once the Khmer Rouge's closest ally, that said Pol Pot had died of malaria in Cambodia in the first week of June.

Later that day, a deputy Khmer Rouge commander on the Thai-Cambodian border confirmed the death and said he was going with his men to attend Pol Pot's funeral at the rebels' military stronghold of Phnom Malai.

Thai military intelligence, which was close with the Khmer Rouge during the 1980s when the rebels were waging war against the Vietnamese army that had invaded and occupied Cambodia, said they could not confirm the report.

The guerrilla's official voice — clandestine Khmer Rouge radio — has not broadcast any news relating to Pol Pot but analysts say this is not unusual as Pol Pot has been "officially" retired since the mid-1980s and has not been mentioned since then.

Cambodia: 'About 500 Students' Join Hun Sen Party

*BK1007030996 Phnom Penh National Radio of Cambodia Network in Cambodian
1100 GMT 9 Jul 96*

[FBIS Translated Text] A party official said that about 500 students in Phnom Penh joined the Cambodian People's Party [CPP] last Saturday at a private ceremony presided over by Samdech Hun Sen, second prime minister of the Royal Government of Cambodia and CPP vice chairman.

Party secretary Mam Sarin said last Sunday that enrollment in the CPP was voluntary on the part of the students. He added that university students and those who have completed their university studies have the right to choose and join a political party beneficial to them.

At a ceremony at the Apsara radio and television station last Saturday Samdech Hun Sen welcomed the students who joined the CPP and talked about the party's policy and structure.

Chea Sophara, first deputy mayor of Phnom Penh, said that since the election in 1993 over 300 schools have been built by Samdech Hun Sen and over 900 others

by the party. Chea Sophara further said that Samdech Hun Sen purchased 140 tricycles for distribution to poor students living in monasteries in the city to enable these students to earn some income and to prevent them from abandoning their studies due to poverty.

The first deputy mayor of Phnom Penh added that during the two weeks prior to the samdech's departure for Tokyo to attend a consultative meeting, Samdech Hun Sen distributed between 20 and 30 tricycles to student groups in each monastery in Phnom Penh. Furthermore, Samdech Hun Sen has provided 400 tonnes of rice to poor students living in monasteries twice a year.

Indonesia

Indonesia: Japanese Investment, National Car Policy Viewed

*BK0407113296 Jakarta REPUBLIKA in Indonesian
4 Jul 96*

[Editorial: "Japanese Investment in Indonesia" — received via Internet]

[FBIS Translated Text] Minister of State for Investment Sanyoto Sastrowardoyo reported on the development of investment to President Suharto on 2 July. He said, among other things, that Japanese car producers have the right to protest Indonesia's national car policy. The protest, however, has no impact on Japanese investment here.

According to data released by Sanyoto, Japanese investment amounted to \$4.9 billion during the first six months of 1996 — from 1 January to 27 June. Based on that figure, Japan is now the main investor in the country. It is followed by Britain, Hong Kong, and the United States. In 1995, the value of Japanese investment was only \$3.5 billion.

Sanyoto said this showed the rumor that Japan would reduce its investment in Indonesia in retaliation of the national car policy was baseless. "That is absolutely not true," he said firmly. In fact, the Japanese investment in the country was submitted after the national car issue emerged in February. Due to this, Sanyoto was optimistic regarding the future of foreign investment in Indonesia.

The investment data are heartening at the moment, but there are several issues that still need to be clarified. Firstly, sectors covered by Japan's \$4.9 billion total investment have not been disclosed. If the automotive industry has not been affected by the national car issue, then, we can be relieved.

Secondly, a more important point, is that foreign investors usually draw up long-term investment plans. The

question is: Do the Japanese really not care about the national car issue; or are they concerned about it, but it is too late for them to cancel their investment plans? This is a logical question because the national car issue only emerged in February. Foreign investors in Indonesia normally make plans much earlier in advance, or even a year earlier.

We certainly hope that the national car issue will not negatively affect the investors' plans to bring investment to Indonesia. Nevertheless, it does not mean that we should be complacent. The national car issue is still being debated by automobile industrialists in Japan. In fact, the issue has made headlines in major Japanese newspapers, such as NIHON KEIZAI SHIMBUN published in Tokyo.

Meanwhile, the World Trade Organization [WTO] will hold its meeting by the end of the year. Although Japan has stressed that it is not "overly" concerned about Indonesia's national car policy, the statement sounds diplomatic. As the issue is related to big-scale business interests, it is not impossible that Japanese industrialists would question the national car policy, especially if we are unable to convince the Japanese that the policy will not negatively affect the interests of Japanese investors.

In view of this, we should continue to prepare ourselves should Japan, or other countries that invest in Indonesia, particularly in the automotive sector, suddenly attack us. If a consensus on the national car policy has been reached, there will be no other way, but to compete with them. More importantly, we should be able to convince everyone that the policy is fair and does not smack of a monopoly.

Indonesia: Jakarta, Hanoi Agree To Renew Information Accord

BK0807093496 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 8 Jul 96

[FBIS Translated Text] Indonesia and the SRV have agreed to again renew the information agreement signed in 1988 and 1994. Subrata, director general for the development of press and graphics, discussed this with reporters in Jakarta moments ago after he accompanied Information Minister Harmoko on a call by Tran Hoan, SRV minister of culture and information.

According to Subrata, Minister Harmoko and the Vietnamese minister discussed ways to enhance cooperation in radio and television programs similar to the cooperation with Malaysia and Singapore. Vietnam also expressed its intention to study advertising in electronic media.

The SRV minister of culture and information will be in Indonesia until 11 July. While in Indonesia, the Vietnamese minister will pay a courtesy call on Vice President Try Sutrisno.

Indonesia: Minister Dismissive of Canberra's Findings on Newsmen

BK0307052396 Jakarta THE JAKARTA POST in English 3 Jul 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Jakarta (JP) — The government said yesterday it was "carefully studying" a report alleging its troops killed five Australian journalists in East Timor in 1975.

Minister of Foreign Affairs Ali Alatas said the Australian Government's report on initial inspection, contained no new evidence. He also maintained that Canberra has not demanded an official reply from Jakarta on the report.

He said there was nothing in the report which gave new light on whether the Australian journalists were killed by Indonesian troops.

"We are still studying the report, but based on what I have read and my observation thus far there is not even a preliminary item or a shred of evidence to change what we have been saying to them (Australia) for the past 20-years," Alatas told the press.

Canberra last week issued a report by a commission reexamining the deaths of the journalists in East Timor.

After a six-month inquiry, the government commission issued a report alleging that five television newsmen were probably killed by Indonesian troops in Balibo, East Timor on Oct. 16, 1975. The commission was headed by Tom Sherman, a former Australian National Crime Authority chairman.

The five journalists were Gary J. Cunningham, Greg J. Shackleton, Tony Stewart, Malcolm Harvie Rennie, and Brian Peters.

A freelance journalist, Roger East, was allegedly executed by Indonesian troops in Dili two months later.

Crossfire

The government says they were caught in crossfire during the civil war raging in East Timor before it was integrated into Indonesia in 1976.

Though nearly two decades have passed, the journalists' deaths continue to be a thorny issue plaguing Indonesia's and Australia's often rocky relationship.

The report is the first time that Canberra has officially refuted Jakarta's claims that it was not responsible for the deaths.

Alatas said the report acknowledges that some of the testimonies obtained by the commission were contradictory.

He underlined the report's acknowledgement that the prevailing situation at the time in East Timor was war.

He noted that it was difficult for the commission to find witnesses, something which the report admits.

Alatas also quoted an excerpt from the report: "These were not circumstances conducive to direct unambiguous and unbiased evidence. It was not surprising that much of the evidence on Balibo is hearsay and inconsistent."

When asked if Canberra has asked Jakarta to respond to the findings, Alatas said there was no such request. "No. We weren't asked but maybe we will issue a statement, maybe"

He added that there were no demands for Jakarta to officially comment: "They just expressed that if there was anything more we knew, they would be happy to hear from us."

Indonesia: Double Taxation Avoidance Accord Signed With Romania

BK0307152596 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 3 Jul 96

[FBIS Translated Text] The Indonesian and Romanian Governments signed an agreement on the avoidance of double taxation in Jakarta today. Sumadi Brotodinigrat, director general of foreign relations of the Foreign Affairs Department, and Romanian Ambassador Sandu Dumitru signed the agreement on behalf of their respective governments. The accord reflects their close ties and the strong determination to boost trade and economic relations.

A press release issued by the Foreign Affairs Department obtained by Radio Republik Indonesia this evening said existing ties have not reached the desired level and more measures are needed to enhance them. Indonesia has so far signed agreements on the avoidance of double taxation with 32 countries.

Indonesia: Minister Views Deals Signed During Air Show

BK0207074396 Jakarta THE JAKARTA POST in English 1 Jul 96 p 1

[Unattributed report]

[FBIS Transcribed Excerpt] Jakarta (JP) — The Indonesia Air Show 1996 wound up yesterday on a high note — a total of US \$4.48 billion worth of deals — were signed during the nine days of the exhibition. And most of the 280 companies from the 22 countries taking part promised to return when Jakarta hosts the air show again in two years time.

State Minister of Research and Technology B.J. Habibie, who also chairs the organizing committee, said Indonesia will stage the air show every two years, rather than every 10 years.

In 1998, the scope of the event will be expanded and it will be called the Asia-Pacific High-Tech and Aerospace Show. It will be held on the same site: Sukarno-Hatta International Airport.

Habibie is confident that future exhibitions will generate strong interest from foreign companies notwithstanding the fact that Indonesia's neighbors have also been holding air shows on a regular basis.

"The Indonesian show will be different to those staged in Singapore or Langkawi in Malaysia. Indonesia, as the host country, has its own aviation industry and human resources, as well as a growing market," he said.

"We will also cut the space rental fees," he promised, apparently mindful of complaints aired by some participants that the \$600 per square meter were simply exorbitant.

The state-owned aircraft manufacturing company, PT IPTN (Nusantara Aircraft Industry Company Limited), of which Habibie is president, accounted for \$2.73 billion of the \$4.48 billion contracts signed at this year's air show.

"The remaining \$1.75 billion deals were signed by other companies. Some of them were reluctant to publicly disclose details of the contracts," Habibie said.

The show was inaugurated by President Suharto on June 22. Most of the contracts were signed when the show was opened strictly for business between 24 and 27. The show was opened to the public on Wednesday.

Among the deals inked were the \$120 million accord between South Korea and IPTN for the supply of eight military versions of the CN- 235 turboprop plane and

a \$1.6 billion order for 23 Boeing jets by Garuda Indonesia.

IPTN also signed agreements with Hughes Electronics of the U.S. and Daimler-Benz Aerospace of Germany to develop a satellite-based navigation system called Aeronautic Navigation Satellite System.

"We have also approached Australia to supply a number of CN-235s. But I can't tell you the details yet," Habibie said, adding that discussions would be finalized soon.

Preliminary discussions were also completed between Messier-Dowty, a Franco-British firm, and PT Gapin of Indonesia for a joint venture to produce landing gears for IPTN's N-250 planes.

The world's three aircraft engine manufacturers, Rolls-Royce, Pratt & Whitney, and General Electric, were present at the show, all vying for the lucrative contract to supply the engines for the Boeing jets which Garuda signed with the Seattle-based company. [passage omitted]

Indonesia: German Doctor: Suharto 'Healthier Than Thought'

BK1007032596 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 10 Jul 96

[FBIS Translated Text] President Suharto is healthier than thought earlier. Prof. Reiner Korner, head of a team of cardiologists examining the head of state, said this at a heart clinic in Bay Oeyenhausen in Germany yesterday. The prominent German cardiologist made the press statement following an examination. Dr. Budiman, a member of the team, also said the head of state is healthy and that there is nothing to worry about at all.

Meanwhile, B.J. Habibie, minister of state for research and technology, said President Suharto plans to rest until Saturday and return home on Sunday. Thus, he will resume his state duties next Tuesday.

Indonesia: Situation in Nabire Town 'Under Control'

BK0407073996 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 4 Jul 96

[FBIS Translated Text] Lieutenant General Suyono, chief of the Armed Forces of the Republic of Indonesia [ABRI] General Staff, has disclosed the destruction by mobs of a number of buildings, including the building of the Paniai District House of Representatives, in Nabire town, Irian Jaya, and subsequently urged the public to see the incident in proportion since there were no political motives behind the incident.

The chief of the ABRI General Staff said in Jakarta today that the rioting that took place in Nabire yesterday had nothing to do with the GPK [security disturbance movement, official term for the OPM or Free Papua Movement in Irian Jaya] but was purely a spontaneous mass action committed by applicants for the civil service. About 3,000 job seekers were involved in the incident. Mobs burned down the building of the Paniai District House of Representatives, a corrections center, and several other buildings during the incident. As many as 41 inmates escaped, but 37 of them have been recaptured. According to the chief of the ABRI General Staff, the incident took place probably due to a lack of information available to the job seekers.

The situation in Nabire town was gradually brought under control this morning. The town was relatively safe. In the meantime, the security apparatus is taking various persuasive measures to deal with the rioters.

Indonesia: East Timor Resistance Official Interviewed

MB0907150096 Maputo TEMPO in Portuguese 7 Jul 96 pp 4-8

[Interview with Fretilin Foreign Relations Secretary Mari Alkatiri by Guilherme Mussane in Maputo; date not given — first paragraph is TEMPO introduction]

[FBIS Translated Excerpt] As the Community of Portuguese Speaking Countries (CPLP) is about to be launched, the Revolutionary Front for East Timor Independence (Fretilin) is seeking observer status in the future organization. Interviewed by TEMPO, Fretilin Foreign Relations Secretary Mari Alkatiri noted that for the Maubere people the question of resistance to Indonesian occupation is a current as well as an atrocious matter in that a people are being deprived of their right to self-determination and independence...

[Mussane] In April, Maputo hosted the CPLP foreign ministers meeting that prepared the heads of state summit to be held in Lisbon on 17 July. What role can Timor play in an organization like the CPLP?

[Alkatiri] Under international law our country is not yet regarded as independent. Yet, when one speaks of countries, they are not necessarily independent! [passage omitted] As it stands, we have decided to seek membership in the organization as observers and not as a full member because the existing governing structures in our country do not legitimately represent the Maubere people. As a full member state we would have to meet certain conditions and we are not in a position to do that!...

At the United Nations, Timor is regarded as non-self-governing territory under Portuguese administration. Portugal being a CPLP member means that we ought to be represented in the new group that will promote cooperation among Portuguese-speaking countries. Here in Maputo we campaigned for membership in the organization, and we feel we succeeded in convincing the ministers of the seven countries. The Timor "issue" recently was raised in a justice ministers' meeting, which means that those countries have taken the issue seriously. We have the legitimate right to belong to the organization, though we sought observer status in view of the prevailing conditions.

Moreover, if one is serious about such a community, it would be necessary to take cognizance of the historic and cultural identity of all its members. That means reviewing the routes used by the colonizers five centuries ago. The Portuguese presence was felt not only in the Lusophone African countries and Brazil, but also in Timor and India (Damao, Goa, and Diu), and in other parts of Asia where vestiges of Portuguese history and culture exist. To be a full-fledged community, the CPLP should open up to that whole area.

In the specific case of East Timor, everyone knows that we are part of a most coveted area. We live in an area regarded as the "Economic Mecca of the 21st century." The CPLP will need East Timor as a gateway to that region — a business gateway that has serious economic repercussions in each member state. It would be advantageous to the CPLP to make a concerted effort toward the self-determination of the people of East Timor.

[Mussane] What effect will Indonesian occupation have on the Portuguese culture and language in your country?

[Alkatiri] A major cultural movement is under way in our country. In the 70's there was a major political movement aimed at the emancipation of peoples under Portuguese colonial domination. The political struggle led to the emergence of a powerful cultural nationalism. In East Timor today, even those who are for integration have begun to worry about the Javanization of the territory. They are the ones who are in the forefront of the struggle to reopen Portuguese schools and to establish cultural centers, and have, therefore, asked for assistance from Portugal and the CPLP. There is great cultural nationalism in our country. I can assure you that soon the Portuguese language will once again play a role in Timor. We use the Portuguese language as a medium of resistance! Teu, Timor's national language, has been used to mobilize the masses, while Portuguese is used to promote our cause throughout the world.

[Mussane] You have mentioned that those favoring integration with Indonesia are worried about teaching Portuguese in schools... Is that not a ploy to make Timor Indonesia's 27th province?

[Alkatiri] It might well be that, but they are not speaking merely in terms of integration. They want autonomy, though we believe mere autonomy serves no purpose. It has not been by chance that the political and diplomatic struggle has been strengthened. Cultural nationalism is the widest form of resistance today. In Timor today there is a culture that demands its own space.

[Mussane] What role does culture plays in that struggle?

[Alkatiri] Ever since the Catholic Church became patriotic, it began sheltering all those resisting Indonesian domination and occupation. In the past, the Catholic Church served those in power; today it is against the establishment. The Catholic Church is a thorn in Indonesia's flesh. [passage omitted]

[Mussane] Does East Timor's Catholic Church support the theology of liberation?

[Alkatiri] I would rather not identify the Catholic Church with a specific or another current, but I can assure you that Timor's Catholic Church is Maubere and patriotic. It opposes Indonesia's invasion because it is a patriotic church! There are also Muslims, but the Catholic Church is in the forefront of the struggle of all Timorans, without discrimination. [passage omitted]

[Mussane] Is there a relation between the diplomatic struggle and the resistance's cultural aspect?

[Alkatiri] A Timoran forum was created recently, including not only Fretilin and those who resist occupation, but also those who are for integration. In a meeting in Sydney, everyone agreed that we should force Indonesia to accept the teaching of Portuguese. We are all aware of the importance of our links to Portugal and other Portuguese-speaking countries. Portugal features highly in this forum because the latter is legally linked to the United Nations. We are aware that Timoran issues feature in the world news media. [passage omitted]

[Mussane] The United Nations has been concerned with the defense of ethnic and racial minorities. What has the organization done in the case of East Timor?

[Alkatiri] Ours is a sui generis case. We must not forget that Timorans are not a national majority. They are a nationality seeking independence.

We have been dealing extensively with the UN Minorities Defense Subcommittee, which is part of the Human Rights Defense Committee. The subcommittee comes

under the UN's decision-making bodies. At its last meeting it was decided to open a human rights high commissioner's office in Jakarta and a branch in Dili. In the case of Timor, disregard for human rights stems directly from the violation of one of our people's major rights — self-determination and independence. The solution lies in the removal of an obstacle, that is, Indonesia's occupation!

[Mussane] It is impossible to talk of East Timor without touching on political matters. Some compare your case to the South African problem...

[Alkatiri] There are similarities. The South Africans waged their struggle while their most important leaders were imprisoned, and we have been struggling while Xanana Gusmao (the leader of the Maubere resistance) is in detention! I would rather compare Timor's situation to Western Sahara, and to Kuwait (although this case was promptly settled by the United Nations)... [passage omitted]

[Mussane] Finally, do you believe in a military situation for the East Timor "case"?

[Alkatiri] The armed struggle is only one aspect of the various forms of struggle waged by our people. We believe in the victory of truth as a result of pressure exerted on various fronts — political, armed, cultural, and diplomatic...

Indonesia: Opposition Party Official Claims State Interference

BK0307113596 Jakarta KOMPAS in Indonesian
2 Jul 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Tosari Wijaya, secretary general of the PPP [United Development Party] central executive board, says excessive state "guidance" to political parties in rural areas will cause frustration among members of those parties. "If these people are frustrated, more people will become Golput [White Group — people who do not want to exercise their voting rights in elections] even though party officials do not want to see this happen," he told KOMPAS in Jakarta on 1 July.

Tosari Wijaya made the remarks in conjunction with what has happened to three PPP district executive boards in Kendari, Cirebon, and Bandung. A letter of decision issued by the PPP central executive board confirming leadership of the three district boards has been rendered meaningless because of interference by government district chiefs. For example, the Kendari district chief only recognizes the PPP district board headed by Abdul Jalil Akrim, instead of the district

board led by Hanafi Laliyah, who has won confirmation from the PPP central executive board.

The Kendari district chief's recognition was disclosed at a special plenary session of the Regional Legislative Assembly on 14 May. During the session, the Kendari district chief said there are two PPP district boards and the government only recognizes the board headed by Abdul Jalil according to existing PPP bylaws. "This is going too far when a district chief claims to know better than PPP members," Tosari said, adding that he will report the incident to the home affairs minister. [passage omitted]

Indonesia: Minister Wants Splinter PDI Camp Given Chance

BK0307095596 Jakarta Radio Republik Indonesia
Network in Indonesian 0700 GMT 3 Jul 96

[FBIS Translated Text] All sides should give the Indonesian Democratic Party [PDI] Central Executive Council, headed by General Chairman Suryadi, a chance to consolidate its power. The PDI Central Executive Council was elected at the Medan congress. Home Affairs Minister Yogie Suardi Memed made the appeal prior to a limited cabinet meeting on economy, development supervision, production, and distribution at the Bina Graha Presidential Office in Jakarta today. The home affairs minister urged all sides to give Suryadi and his colleagues a chance to get down to work rather than confuse them.

The minister received the PDI Central Executive Council led by General Chairman Suryadi at the Department of Home Affairs yesterday. The PDI Central Executive Council, which was elected at the Medan congress, reported to the minister on the results of the recent congress, and on the first meeting of the PDI Central Executive Council that took place last Saturday.

Meanwhile, General Feisal Tanjung, commander of the Armed Forces of the Republic of Indonesia [ABRI], confirmed that he received the PDI Central Executive Council at his office this morning. According to the ABRI commander, Suryadi reported to him on the results of the recent congress and the PDI Central Executive Council, in addition to asking for ABRI General Headquarter's assistance on the issue of the PDI Central Executive Council headquarters.

**Indonesia: ABRI Chief Meets PDI's Suryadi;
Megawati Views Polls**

BK0407091996 Jakarta KOMPAS in Indonesian
4 Jul 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta, KOMPAS — The Indonesian Democratic Party [PDI] Central Executive Council, which was elected at the Medan congress held from 20 to 22 June 1996, has been urged to settle all problems within the PDI through a spirit of togetherness and comradeship. The PDI has also been urged to give precedence to national interests.

Suryadi, general chairman of the PDI Central Executive Council, said that General Feisal Tanjung, commander of the Armed Forces of the Republic of Indonesia [ABRI], made the remarks during their meeting at the Department of Defense and Security in Central Jakarta on 3 July.

According to Suryadi, the Armed Forces commander was confident that the PDI Central Executive Council, which was elected at the Medan congress, would be able to overcome all problems within the PDI accommodatively, persuasively, and constitutionally.

When asked about his plan to call on President Suharto, Suryadi said that his camp had written a new letter to the president because the first letter was considered incomplete. The new letter was sent to the president on 2 July.

Suryadi said that he would field people, who accepted the results of the Medan congress, as legislative candidates, not those who felt that they had supported and elected him as general chairman of the PDI Central Executive Council.

According to him, PDI members do not support certain figures, but they support those who share the PDI's spirit, aspirations, and programs.

Suryadi, who was accompanied by Ismunandar [title not given] and Buttu R. Hutapea, secretary general of the PDI (Medan Congress) Central Executive Council, once again rejected calls by Sutarjo Suryoguritno, chairman of the PDI Central Executive Council, for a referendum to determine who was more popular and who would be recognized as general chairperson of the PDI Central Executive Council.

He said that the party's constitution and bylaws had no clause that provides for a referendum. Suryadi rejected holding a referendum because of the absence of any legal basis for it. [passage omitted]

Not Closing Their Eyes

Megawati Sukarnoputri, general chairwoman of the PDI Central Executive Council for the 1993-98 term, said that all sides could not close their eyes to the PDI affair.

Calmly and clearly answering questions, Megawati said that the Indonesian people could clearly see the support that the PDI masses had extended to her. "The support of the PDI masses has even been conveyed through party meetings as a manifestation of the party's mechanism. Don't forget that branches are the spearheads of the PDI," she said.

She reiterated that she remained general chairwoman of a sociopolitical organization, who was elected at the grassroots level. "The people clearly support me on the basis of their aspirations," she said.

Megawati admitted that there were two PDI central executive councils, but she asked which one was concretely supported by party members.

She said that the Medan congress affair would consequently affect the upcoming general election. "How will we be able to hold a democratic and high-quality general election if one of the participants (the PDI) is sick?" Mega asked.

The general chairwoman of the PDI Central Executive Council for the 1993-98 term was worried over possible problems in the implementation of the stages of the 1997 general election because of the "dual" leadership in the PDI. "Branch, district, and provincial executive councils can now draw up provisional lists of legislative candidates, but they do not recognize the so-called PDI Central Executive Council, which was elected at the Medan congress," she said.

According to Megawati, it is possible that the provisional lists of the branch, district, and provincial executive councils opposed to the congress would be rejected and the Suryadi-led PDI Central Executive Council would nominate certain persons as legislative candidates on behalf of the PDI Central Executive Council. "That would clearly be against constitutional procedures. What about the people's aspirations? That would become a special problem," she said.

Megawati said that she had been cornered by various allegations ranging from one that the PDI would be turned into a mass movement, to one that she was an authoritarian leader. "Indeed, I continue to receive the full support of PDI members," Megawati stated. [passage omitted]

Indonesia: Megawati Files Suits Against New Congress Supporters

*BK0507125396 Jakarta MEDIA INDONESIA
in Indonesian 5 Jul 96*

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta (MEDIA) — It seems that President Suharto will not be able to meet the Indonesian Democratic Party (PDI) Central Executive Council (DPP) general chairman, Surjadi, in the near future. This was decided following an announcement by Minister and State Secretary Mardiono that President Suharto had called on the PDI DPP to restore calm within the party itself.

Responding to journalists' questions yesterday on when President Suharto would receive the new PDI DPP, Mardiono answered succinctly: "After they have consolidated." Earlier, Mardiono met with the head of state at the Merdeka Presidential Office in Jakarta to report on the latest developments in the party.

When asked what President Suharto meant by the word "consolidation," Mardiono answered with a smile: "A leader should be able to unify all the components of his organization."

Mardiono explained that to unify all the components of the organization meant to merge them all. "That is what we mean by the word consolidation," Mardiono said. He added that all the social organizations in the country, including the PDI, are national assets. "Due to this, the PDI DPP should be well consolidated," Mardiono said, quoting President Suharto's statement.

Suryadi, and all the newly elected DPP members were received by Home Affairs Minister Yogi S. Memet on 2 July. A day later, Suyardi, who was elected PDI DPP general chairman at the PDI fourth congress in Medan 20-23 June was received by the Armed Forces Commander General Feisal Tanjung and the heads of the armed forces' three services, as well as the national police chief.

Surjadi told journalists that his side sent a letter to President Suharto requesting the head of state recognize the PDI's new DPP members' term of office from 1996 to 1998. He said he wanted to report to the president on the outcome of the PDI fourth congress in Medan.

Mardiono said: "As of today [4 July] I have not read the request letter, and President Suharto has not read any letter at all."

Surjadi and his staff continued to hold marathon meetings in order to reach a consolidation. They were held at Surjadi's residence, which has now been turned into

PDI DPP secretariat, because the DPP office is still in the control of Megawati's faction.

About 200 Megawati supporters, who are members of the nongovernmental organizations, staged a demonstration yesterday afternoon. They burned posters of Surjadi at the Proclamation Monument in Central Jakarta. From there, the demonstrators walked to Megawati's faction's headquarters at 58, Diponegoro Road, about two kilometers away. They sang patriotic songs and chanted "Mega will certainly win!"

About 700 security personnel arrived at the scene in 12 trucks to appease the demonstrators. They were equipped with weapons and tear gas.

In the meantime, Megawati received several executives of the Kediri branch chapter, who continue to support Megawati. Later Megawati delivered a speech in the company of Kediri PDI branch executive board chairman.

"There will be no solidarity or closeness among us if we have no self-respect and are hopeless. Solidarity can only be achieved through mutual help and unity among us," Mega said before hundreds of PDI members.

Meanwhile, the Team on Protection of Democracy under the leadership of Amartwi Saleh yesterday filed Megawati's legal suit at the Central Jakarta District Court. In the 12-page dossier entitled "Indonesian Democracy is Under Threat," they asked the court to make an interval decision on the party crisis.

The dossier says that the PDI DPP under the leadership of the plaintiff (Megawati) is still functioning until there is a judicial decision against it.

The first defendants are the 16 PDI DPP members who formed the organizing committee for the new congress, which was deemed unconstitutional. The second defendants are Fatimah Akhmad and Panangin Siregar, who were leaders of the congress. The third defendants are Surjadi and Buttu Hutapea, who become chairman and secretary general of PDI DPP as a result of the fourth congress in Medan.

The minister of home affairs is considered the fourth defendant for being directly or indirectly involved in the preparations for the congress, engineering and funding the congress.

The Armed Forces Commander is the fifth defendant for supporting the congress, which is considered unconstitutional. The commander had directed armed forces personnel at the military area command, military sub-area command, military district command levels to pressure PDI executives in several districts to support the new

congress. The national police chief is the sixth defendant for issuing the permit allowing the congress to be held. This is considered a violation of the law, causing a great loss to the plaintiff. [passage omitted]

Indonesia: Article Says Major Muslim Group Supports Megawati

BK0507075796 Sydney THE SYDNEY MORNING HERALD in English 5 Jul 96

[Article by correspondent Loius Williams in Jakarta: "Major Group Challenges Suharto Rule" — received via Internet]

[FBIS Transcribed Text] The leader of Indonesia's largest Muslim organisation has signed an extraordinary public petition warning that the authoritarian nature of the Suharto government and prevailing social injustices will create a culture of violence in Indonesia.

And in a development which serves to underline the message of the petition, the Armed Forces have been formally requested to help expel supporters of the embattled opposition leader, Ms. Megawati Sukarnoputri, from the Jakarta headquarters of the Parti Demokrasi Indonesia (PDI), a move likely to provoke another violent clash between pro-democracy activists and troops.

Ms. Megawati's supporters remained holed up inside the party's headquarters last night, surrounded by hundreds of riot police backed by armoured personnel carriers and truck-mounted tear-gas guns.

The chief of the Indonesian Armed Forces (ABRI), General Feisal Tanjung, said he had been asked to help in the takeover of the contested PDI headquarters by the rival PDI chairman, Mr. Suryadi.

Ms. Megawati's supporters have been occupying the building since last month when a government-sponsored PDI Congress removed the popular democrat from the party chairmanship and installed Mr. Suryadi.

At the Central Court in Jakarta yesterday hundreds of Ms. Megawati's supporters backed by their own security men sued the Suharto Government for its role in the toppling of the PDI's elected leader.

Ms. Megawati's faction asked the court to cancel all the results of the rebel congress on the grounds that the meeting was illegal.

Outside the court hundreds of supporters clad in red representing the PDI donned black armbands which they said represented the "death of democracy" in Indonesia.

General Tanjung said he was awaiting further developments in the PDI struggle and had not made a decision on sending in his troops.

The petition, which was launched yesterday in Jakarta, has been signed by Abdurrahman Wahid, who heads the 30 million-strong Nahdlatul Ulama (NU), and represents one of the most daring challenges to the Suharto government since the so-called Group of Fifty launched a similar petition more than 15 years ago.

The new petition also carries the signatures of a former Chairman of the Parliament and retired general, Kharis Suhud, and a former Finance Minister in the early years of Suharto's New Order Government, Frans Seda.

The document, entitled "Back to Indonesian Dignity", accuses the Suharto Government of using totalitarianism to maintain national unity: "This situation is false unity. It is totalitarian, oppressing and will not provide space for the creativity of people."

The significance of the NU's role in the petition should not be underestimated. The NU is the largest nongovernment organisation in Indonesia and represents the only alternative nationwide network outside the government-controlled armed forces and bureaucracy. In a nation in which political life remains restricted the potential of the NU to carry the critical message is substantial.

Indonesia: Suharto's Son Launches Motorcycle Joint Venture

BK0307151096 Jakarta REPUBLIKA in Indonesian 3 Jul 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta — Humpuss Group chairman Hutomo "Tommy" Mandala Putra [President Suharto's third son] continues to strengthen his automotive industry business. Though his national car program has not been fully implemented, he is now poised to start a motorcycle production venture.

Knowledgeable sources said Humpuss Group and an Italian company, Cagiva, have agreed to work together in a joint venture to produce motorcycles. Tommy has set up a new company called Timori Putra Bangsa Co. Ltd for the new venture.

Sources said Timori and Cagiva signed a memorandum of understanding at Jakarta's Shangri-La Hotel on 1 July. The signing ceremony was a closed-door affair with security guards said to have blocked curious reporters from entering.

The names of the 100-cc and 125-cc motorcycles are not immediately known, but Tommy will use national brand names. The motorcycles will have 80-percent local content and each will be sold at about 2 million rupiah. As of yesterday, Tommy and his executives were

not available to provide information about the amount of investments in their new venture. [passage omitted]

Philippines

Philippines: Ramos Inaugurates New General Santos City Airport

*BK0507064696 Manila PNA in English
1244 GMT 4 Jul 96*

[Received via Internet]

[FBIS Transcribed Text] Gen. Santos City, July 03 (PNA) — President Ramos inaugurated this morning the \$50-million new Gen. Santos City Airport linking Mindanao to other parts of the world.

The president, who is on a two-day swing through Mindanao starting Tuesday, flew here at 9 AM today from Parang, Maguindanao.

The new Gen. Santos City Airport is the largest airport in Mindanao at present and one of the most modern in the country because of its international workmanship. It is expected to open to more economic opportunities for the Mindanao region, particularly the South Cotabato-Sultan Kudarat-Sarangani-General Santos City (SOKSARGEN) growth polygon.

The provision of complete navigational facilities and airport utilities makes the new airport capable of handling night landing operations. Its 3,200-meter concrete paved runway can effectively accommodate wide-bodied aircraft at full load capacity.

Construction of the new airport was undertaken jointly by the United States Agency for International Development (USAID) and the Philippine Government through the Department of Transportation and Communications (DOTC) under the Mindanao development program.

The USAID provided \$35 million for the project, and the government contributed 270 million pesos or 25 percent of the total cost.

Philippines: Senators Urge Government To Hold Talks With Mindanao People

BK0807124696 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 8 Jul 96

[FBIS Translated Text] The government move to settle the conflict in Mindanao has earned criticism in the Senate. According to Senator Ernesto Maceda, President Fidel Ramos should heed the call of the Catholic bishops and the people of Mindanao to convene a people's assembly to discuss plans for establishing the Southern Philippines Council for Peace and Development, or SPCPD. Our reporter Arnold Clavio has an additional report. Arnold, come in:

[Begin Clavio recording] Senate Minority Floor Leader Edgardo Angara today called on the Ramos administration to suspend the government's fourth and last round of talks with the Moro National Liberation Front, or MNLF, scheduled in Jakarta, Indonesia from 10 to 15 July.

Angara said this is contrary to the government's announcement that they are scheduled to hold consultations with the people in the South. Angara believes that any agreement that will be reached in Jakarta is irrelevant if such an agreement is unacceptable to the majority of Mindanao residents.

Meanwhile, Senator Ernesto Maceda has called on President Ramos to heed the call of the Catholic bishops to convene a people's assembly to openly discuss details of the proposed Southern Philippines Council for Peace and Development.

Maceda said the report that the people from Zamboanga del Norte are ready to raise the Philippine flag inverted is alarming. He added that this might create political and economic instability.

In the meantime, Senator Gloria Macapagal-Arroyo said that although she is opposed to the suspension of the Jakarta talks, obtaining a consensus or a united stand from the people of Mindanao on the peace proposal should be given a priority.

Arroyo added that the anxieties felt by the majority of the people who will be under the leadership of MNLF Chairman Nur Misuari should not be taken for granted. [end recording]

Philippines: Police Monitoring Vigilante Group in Mindanao

BK0807132096 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 8 Jul 96

[FBIS Translated Text] The Philippine National Police [PNP] is seriously considering the threat made by the Ilaga [rat] vigilante group to reorganize and resume war with the Muslims. According to the PNP, it will closely monitor its members' movements. Our reporter Maki Pulido has a report. Maki, come in:

[Begin recording] [Pulido] The PNP is currently monitoring the Ilaga vigilante group following a report that it may reactivate to resume war with the Muslim rebels.

Interior Secretary Robert Barbers ordered a close watch on the group due to its possible threat to peace in Mindanao. The Ilaga is a vigilante group that fought the Muslim rebels in 1970.

It was reported that the group wants to reorganize following a statement by Nur Misuari, Moro National

Liberation Front (MNLF) chairman, that there will be a war if the Southern Philippines Council for Peace and Development (SPCPD) is not implemented.

However, Barbers said the situation in Mindanao is normal and there is no need for additional force.

[Barbers, in English] Well, I ordered the PNP elements to check on some reports like that and see to it that peace and order should be maintained in the area.

[Pulido] If the SPCPD is implemented, it is likely that the Armed Forces of the Philippines [AFP] will need three years before integrating the more than 5,000 MNLF force into the AFP.

AFP Chief General Arturo Enrile stressed there is no guarantee that everyone will be absorbed because they have to pass the AFP requirements. According to Enrile, the government will provide a livelihood to those not integrated into the AFP.

[Enrile, in English] Those who will not be absorbed in so far as the agreement is concerned, I mean the proposal, anyway, this has no finality yet, they will be given some kind of assistance by the government.

[Pulido] Two committees were formed to work out the details of MNLF's integration into the AFP. Many more informal dialogues will take place before an agreement will be signed between the government and MNLF. [end recording]

Philippines: Government Vows To Establish Peace, Development Council

BK0507092596 *Quezon City GMA-7 Radio-Television Arts Network in Tagalog* 2230 GMT 4 Jul 96

[FBIS Translated Text] Malacanang has asserted that despite strong opposition in Mindanao against the Southern Philippines Council for Peace and Development [SPCPD], the government will not renege on its agreement with the MNLF [Moro National Liberation Front] to establish the council.

Malacanang will take the lead in launching an information campaign about the SPCPD. The campaign will attempt to promote understanding and acceptance of the council among the residents. The government believes that opposition among residents of Zamboanga and General Santos stems from disinformation of the council's motives.

Executive Secretary Ruben Torres said that the opposition in several areas in Mindanao headed by several government officials is due to fear that the council will have greater power over them in deciding where to implement development projects. Torres, however, clarified that the council will be managing funds that come

from the office of the president. Torres has assured that the MNLF will provide its funds for its own projects.

President Ramos is set to return to Mindanao at the end of the month. The president plans to make an out-of-town cabinet meeting in Dipolog City.

Philippines: Military To Maintain Troops Despite MNLF Integration

BK0807041896 *Manila BUSINESS WORLD in English* 8 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The military will maintain troops in Mindanao even with the establishment of the Southern Philippines Council for Peace and Development (SPCPD) and the integration of the Moro National Liberation Front (MNLF) into the military.

A ranking military official yesterday said "We will not be pulling them back. What will they do here (Luzon)? Mindanao is where the action is." Under the government proposal regarding integration, some 3,000 MNLF soldiers and 2,000 Moro Islamic Liberation Front (MILF) regulars will be taken in by the Armed Forces of the Philippines (AFP) and lumped into about 50 companies composed of about 80 to 100 men.

The source said top officials of the AFP remain apprehensive in integrating the Muslim rebel groups. "These people have not been trained properly and we may have some difficulty in maintaining order...That is why the MNLF and the MILF will be joined together. Hopefully their commanders who will be commissioned as captains and lieutenants will be able to control them," the source said.

Philippines: Generals Accused of Maneuvers To Extend Ramos Term

BK0807063396 *Manila BUSINESS WORLD in English* 8 Jul 96

[Article by Ninez Cacho-Olivares under the rubric 'My Cup of Tea' entitled: "Games Generals Play" — received via Internet]

[FBIS Transcribed Text] There may be more than meets the eye in the current controversy over the Southern Philippines Council for Peace and Development (SPCPD).

Cebu Representative John Osmena offers a clue: A "junta of generals" crafted the SPCPD to ensure a second term for Fidel Ramos, the general of the generals.

He says that if Ramos wants to stay in the presidential office beyond 1998, the creation of the Mindanao council makes sense.

"If (Ramos) needs trouble so that he can have an excuse for suspending the (1998) election, he can ignite trouble with what he has set up (in Mindanao). If he needs an electoral sham, he can tell (MNLF [Moro National Liberation Front] chair Nur) Misuari to deliver the 5.5 million votes that are covered in his area," adding that Misuari and the MNLF have every reason to support any move to extend the term of Ramos because the next president can abolish the SPCPD. It is just the kind of game generals of the Ramos ilk play.

In the last year or so, Ramos and his military boys succeeded in creating the impression that he and only he can bring progress and prosperity to the country by the year 2000.

They also succeeded in sending the nation a subliminal, but highly effective message of a Philippines going to the dogs under an Estrada presidency.

The other presidential probables in the short list are no great shakes either. By making it seem that Ramos is doing a great job in the areas of politics, economics and peace, the Palace boys have succeeded in making Filipinos and foreigners alike think that the deluge will come about if Ramos, as decreed by the Constitution, steps out of Malacanang in 1998.

Don't think like a civilian. Think like a Filipino military officer who doesn't want to be out of the corridors of power — politically and militarily.

Think like the military and the politicians that are enjoying power and pelf under the Ramos regime.

If Ramos goes, they go. When Ramos loses his job, they become jobless too.

Doesn't it make sense then that they will do all they can to ensure that Ramos stays on in power and position?

They have tried, many times and with as many ploys, to keep Ramos in the presidential office beyond 1998.

There was the ploy to get a parliamentary system going. This way, Ramos could constitutionally come in, not as a re-elected President of the Republic but as the country's second Prime Minister. It didn't work.

Next, they tried to get Congress to amend the Constitution through a constituent assembly with the sole intent of lifting the ban on re-election of all elected officials. This didn't work either, as public opposition to the proposal was fierce. Then, they tried the People's Initiative way. This had to be dropped when the public opposed the idea.

After the third major try, it must have become obvious to this Ramos military and political clique that the way for Ramos to stay on in power is not through a constitutional change but through a "justified" extension of the Ramos term.

How to do it? Easy. All he has to do, as pointed out by Osmena, is for Ramos to create trouble via the SPCPD.

It is certainly up the military generals' alley. They are experts at creating an image of any armed group — whether it be Muslim, RAM [Rebolusyonaryong Alyansang Makabayan; Revolutionary Alliance Movement] or the left — as threat to national security.

The creation of the SPCPD was puzzling, as was the choice of negotiators from the government panel.

Here are military officers negotiating with Muslim rebels that caused the death of some 10,000 of their comrades-in arms in 1972, yet they gave their enemy the moon even when the enemy is clearly no longer a threat to national security or even to peace and development in Mindanao.

Although Misuari is recognized by the Organization of Islamic Countries [OIC] as the representative of the Bangsa Moro people, the OIC's well of funds is being drained in supporting an armed war by Misuari and the MNLF.

The Ramos Government had Misuari by the balls, but the Ramos boys gave Misuari almost everything asked by the Tripoli Agreement, even when there was no need to do so since that agreement has been superseded by the 1987 Constitution.

For the sake of peace, perhaps?

Not when the soldier boys of Ramos, who incidentally don't think much of Misuari and the MNLF, are involved in the creation of SPCPD.

Not when they agree to give Misuari his own little army composed of his MNLF rebels under his command, which, in any military language, is dangerous, as Misuari and his armed band can again go underground and wage a guerrilla war against government should he feel the government did not live up to its promises to the Bangsa Moro people?

Just what game can the Ramos generals be playing?

It could well be a game of double cross in the end, with the end view of Ramos and his generals staying on in power.

Ramos and his generals are a different type. They are old soldiers, but they don't intend to just fade away.

Thailand

Thailand: Commentary Views Use of Khun Sa by SLORC Generals

BK1007041996 Bangkok NAO NA in Thai 9 Jul 96
p 14

[Commentary by Channarit Bunpharot: "Where Is Khun Sa?"]

[FBIS Translated Text] Certain Army generals in the Burmese military government once said publicly that if they ever caught Khun Sa, they would hang him immediately. However, six months have passed since the drug lord surrendered himself to the Burmese Government and people in many parts of the world are asking: where is Khun Sa now?

Khun Sa is wanted in the United States for dozens of narcotics-related crimes. He has not been seen anywhere ever since he was taken into custody by the Burmese military government in January, when his 10,000-strong Shan State armed force was also disarmed. What is surprising is that although Khun Sa has been reportedly placed in custody, an even greater amount of heroin bearing his signature has continued to flow to many parts of the world, including the United States and Australia. This brings up the question: if the Burmese Government, or the SLORC, is determined to punish Khun Sa, as it previously claimed, why has the amount of heroin coming out of Burma not decreased?

Although there have been reports about Khun Sa being detained in Rangoon, no one has actually seen him in person. Rumors have been abundant about where he is and his daily activities, even about his operating a banking and hotel business in Rangoon with the backing of the Burmese Government.

The U.S. Government has set a \$2 million reward for Khun Sa's arrest and urged the Burmese Government to send Khun Sa for trial in the United States. The Burmese Government has rejected the U.S. overture, saying it will try him in a Burmese court. Generals in the Burmese Government have insisted often that Khun Sa is being detained in a military camp and facing investigation. However, different rumors about Khun Sa have continued to spread recently: that he is suffering from heart problems and diabetes, having dinner with senior Burmese generals, or playing golf with them.

Some Rangoon residents have claimed that Khun Sa owns two bus concessions running between the Thai, Burmese, and Chinese borders and uses these routes to transport heroin abroad. Others have claimed he owns gem mines, clothing stores, restaurants, and even shares the ownership of a luxurious hotel near Aung San Suu Kyi's house. These rumors have led analysts

to conclude that Khun Sa is certainly not facing any form of punishment.

From the SLORC's perspective, punishing Khun Sa would be counterproductive because his money could fund the purchase of weapons by the Burmese Army generals. The respect Khun Sa commands among the Shans makes him a man whom the Burmese Government want to keep around. Eventually, Khun Sa could even be given some responsibility in the Burmese Government as a middleman between the government and the Shan people. From this angle, Khun Sa could be given a major role in negotiating with the thousands of Shan people, who so far have refused to give up their armed struggle against government soldiers.

Some analysts view Khun Sa as a very clever man who always thinks ahead, maybe two steps ahead of the SLORC. They think another possibility is that the SLORC may give Khun Sa a pardon.

Thailand: Government Urged To Promote U.S. Investment

BK0507164796 Bangkok THAI RAT in Thai 5 Jul 96
p 3

[Editorial: "Don't Let U.S. Investment Capital Slip Through Our Fingers"]

[FBIS Translated Text] While economic lecturers slam the government for undermining the national economy, the U.S. Government views Thailand and ASEAN partners as the countries with the most promising trade prospects. Thailand is specifically being projected as a business center for the region. The United States also projected that in 15 years, the purchasing power of this region would entail some 686 million people. It is a surprise that Thailand has just ignored all those projections.

Is it because we are too busy with political confusion that nobody has paid attention to the benefits we would gain from U.S. investment, high technology, management and administration process, and its knowledge in international trade? It would be good for us to have a large number of U.S. investors in the country to strike a balance with the amount of investment by Asian countries and a possibility of their pressure in future. Best of all, we would gain, at no cost, through U.S. investment, a power to protect our own interests.

Market and investment analysis on ASEAN countries made by the United States was tantalizing. Commerce Secretary Mickey Kantor noted in his address to U.S. businessmen during his visit to Thailand last week that ASEAN ranks fourth as the biggest export market for U.S. goods. It is the world's most rapidly growing

region. Among the world's 25 largest export countries, five are ASEAN members.

Secretary Mickey Kantor urged U.S. businessmen to invest more in ASEAN countries as the region is becoming a big market with an estimated \$1.1 trillion of gross national products in 15 years. He said the U.S. Government was advising concerned agencies to render full support to the U.S. private sector doing business with ASEAN countries. The United States, he said, is drawing up more than 200 trade agreements with ASEAN countries to pave the way for U.S. enterprises trying to bid for major projects in the region. The United States will also conclude double-taxation agreements with those countries.

Mickey Kantor's address in Thailand stirred up the eagerness of ASEAN countries to grasp the opportunities, but Thailand was an exception. Thailand did not pay enough attention to U.S. investment despite the fact that Mickey Kantor was specifically talking about Thailand when he talked about investment expansion — he mentioned the 18,750 million baht invested by the General Motors in setting up an automobile plant in Rayong Province as a start.

We are thus calling on the government to talk less about politics and pay more attention to U.S. investment in Thailand. This will help the government regain public confidence. Cabinet ministers must be told to look for opportunities to promote U.S. investment. Thailand could become an industrialized country by leaps and bounds with growing U.S. investment in the country.

We stress here that we must not let huge U.S. investment capital slip through our fingers. Other countries are adjusting their legislation in order to attract U.S. businessmen. We would like to remind political parties that, if they think of their own strength and prosperity rather than that of the country, Thailand will certainly remain a backwards country trailing behind other ASEAN partners.

Thailand: Checkpoint Opened on Burmese Border in Mae Hong Son

BK0307075696 Bangkok Radio Thailand Network in Thai 0530 GMT 3 Jul 96

[FBIS Translated Text] Yesterday, Somchet Wiriadamrong, governor of Mae Hong Son Province, presided over the opening ceremony of a temporary border checkpoint to facilitate Thai-Burmese border trade at Ban Rong Haeng, Tambon Huai Pha, Muang District, Mae Hong Son Province.

The ceremony was attended by a group of more than 500 heads of government agencies, government officials,

traders, public citizens, and persons who were interested in the event.

The provincial governor said that the opening of the border checkpoint is aimed at strengthening Thai-Burmese relations at the local level in line with the Thai Government's policy to enhance good understanding between the two countries and peace along the Thai-Burmese border. This, he said, would lead to cooperation in various fields to serve mutual benefits. With the consent of the Ministry of Interior and the National Security Council, the announcement was therefore made to open the border checkpoint so that Thai and Burmese citizens would be able to travel through the Ban Rong Haeng Pass, the governor concluded.

Thailand: Buddhist Karen Army Launches 'Raid Into Thailand'

BK0407053396 Bangkok THAILAND TIMES in English 4 Jul 96 p A2

[Report by Atsawin Phinitwong]

[FBIS Transcribed Text] Tak: The Democratic Karen Buddhist Army [DKBA] has launched yet another raid into Thailand, this time attacking everybody from a local government official to the police, the army and a truck driver, according to a border patrol source.

About 20 DKBA bandits crossed the Moei river and sprayed Tha Song Yang assistant district chief Sananfa Khamdonmun's truck - parked in front of his house - with AK47 fire, said the officer, who spoke on condition of anonymity.

He said the Karen bandits then withdrew, leaving Sananfa uninjured, and headed towards the Tha Song Yang military checkpoint, about 500 meters from the 344th border patrol police checkpoint.

Along the way, the bandits opened fire on a six-wheel truck loaded with bamboo sprouts, while it was being checked by 344th border patrol officers, injuring the driver, Thawisak Chaiyot, in his right leg.

They then launched an assault on the nearby army checkpoint, bombarding it with M-79 mortar shells and peppering it with AK-47 fire.

The checkpoint took a serious hammering, however, no injuries were reported.

The border police attempted to track the bandits, but they managed to elude capture, fleeing back into Burma.

Thailand: Annual on Redoubling Efforts for Rangoon-Suu Kyi Talks

BK0907043596 Bangkok BANGKOK POST
in English 9 Jul 96 p 8

[Unattributed Report]

[FBIS Transcribed Text] Deputy Premier and Foreign Minister Amnuai Wirawan reiterated yesterday that Thailand would "redouble" its efforts to encourage Burma's military junta to open a dialogue with pro-democracy leader Aung San Suu Kyi.

But in so doing, Thailand will not stray from its principle of non-interference in the internal affairs of other countries, he said.

Mr Amnuai made the remarks over lunch at the Foreign Correspondents Club of Thailand.

"Although ASEAN's constructive engagement policy may be viewed by many as not producing results for the people, in fact, it's the only means we have to redouble our efforts to be more constructive," he said.

"We will of course encourage dialogue that would lead to stability and peace (in the region), but we will not go out of our way to the point where it is considered as interference," he said.

Mr Amnuai said Thailand's engagement of Burma would have to be done through that country's military junta known as the State Law and Order Restoration Council.

But he stressed that the engagement would not be limited to political aspects alone, saying other issues such as drug abuse and illegal immigration would also be included.

Mr Amnuai said he expected to meet Burmese leaders "to promote closer co-operation" between the two countries when he leads a Thai delegation to Rangoon early next month.

Mr Amnuai will co-chair the Thai-Burmese Joint Commission from August 5-7.

Before that, the deputy premier plans to discuss the Burmese issue in Jakarta with his Association of Southeast Asian Nations (ASEAN) colleagues and the grouping's main dialogue partners.

Foreign ministers from ASEAN are due to meet in Jakarta on July 20-21.

Two days later, they will be joined by foreign ministers from ASEAN's dialogue partners—the United States, Canada, the European Union, Australia, New Zealand, South Korea, Japan and India.

Burma is attending the 29th ASEAN Ministerial Meeting as an observer, and for the first time will be joining the grouping and its dialogue partners in security discussions under the ASEAN Regional Forum (ARF).

Thailand: Deadline Set for Vietnamese Refugees at Sikhui

BK0507075596 Bangkok BANGKOK POST
in English 5 Jul 96 p 3

[Unattributed report]

[FBIS Transcribed Text] All Vietnamese detainees housed at a center in Nakhon Ratchasima's Sikhui District will be repatriated within three months, National Security Council deputy chief Khachatphai Burutphat said yesterday.

He said some 4,000 Vietnamese still remaining at the center were expected to be sent back to Vietnam in two batches within the next three months.

Mr Khachatphai praised officials of the Interior Ministry and the Police Department for their cooperation in the repatriation of the first batch of 87 Vietnamese on 29 June.

The 127 hard-core protest leaders and some detainees who were injured during a protest against the 29 June repatriation were already sent back to the camp, Mr Khachatphai said.

Thailand: Colonel Moved to 'Inactive Post' Over Lao Drug Link

BK0507072096 Bangkok BANGKOK POST
in English 5 Jul 96 p 3

[Unattributed report]

[FBIS Transcribed Text] Chiang Mai — A police colonel linked to a heroin and amphetamine plant in Laos was transferred to an inactive post yesterday.

Pol [Police] Lt Col Sitthisak Khattiyawara came under suspicion after Lao police raided the refinery in Bokeo Province opposite Chiang Khong, Chiang Rai.

Lao police raided the plant in February and initial investigations indicated Thai politicians and police officers were involved in the operation.

Seven Thais, Burmese, and Lao were arrested in the raid in which 12kg of ephedrine, which is used in amphetamine production, heroin and amphetamines were seized.

Region 5 chief Pol Lt Gen Kowit Phakdiphum said the allegations against Pol Lt Col Sitthisak were based on

investigation reports by the Northern Drug Prevention and Suppression Center.

Police and the center, a branch of the Narcotics Control Board, have information implicating the colonel in previous transactions involving drugs, said Pol Lt Gen Kowit.

Authorities are also studying reports a coalition MP [Member of Parliament] representing a northern constituency was involved in the heroin plant.

Pol Lt Col Sithisak, who was transferred from Wiang Kaen, Chiang Rai, to Mae Hong Son a week ago, refused to comment.

An investigation report submitted by Laos quoted a Thai arrested in the raid as saying an MP had put half of the investment in the 20-million-baht plant.

The suspect said the MP had assigned a Thai police officer and a kamnan [community leader] in Chiang Rai to take care of his business.

Thailand: Chinnawat 'Anticipates' Lao Telecommunications Deal

BK0407054196 Bangkok THE NATION in English
4 Jul 96 p B2

[Report by Utsani Mongkhonphon]

[FBIS Transcribed Text] Chinnawat International anticipates signing a new telecom contract with Laos by the middle of this month after two sudden postponements, allegedly caused by the intervention of a third party with the same interests.

To avoid the difficulties it has experienced with the failed signings, the new signing in Laos will be done quietly without press participation, but a public announcement will be made in Bangkok, said a Chinnawat executive, adding Chinnawat might pull out of the deal if things go wrong again.

Chinnawat International initially planned to secure its newly revised deal on May 27, but put it off to June 18. Accompanied by a Thai media troupe to Vientiane, Chinnawat's second attempt at the signing ceremony was cancelled at the last minute. Rumours have spread that the postponements were caused by heavy lobbying from a competing Thai company which has had a high-profile in Laos' telecommunications business.

The M Group has won a licence from the Lao government to operate a gigantic broadcasting satellite project, L-Star. The country's first satellite will be put into orbit in December next year and will cover all of Asia.

Chinnawat operates Thaicom satellites of similar coverage and capacity. The top bosses at both groups are

widely known to have had a difficult relationship for the past few years. Suradet Mukyangkun, a senior executive at The M Group, has told The Nation his group has had nothing to do with the Chinnawat deal.

A highly-placed source in the Lao government said the two postponements were caused merely by a Thai company wishing to participate in the telecom projects.

"The company has approached the government and made attractive offers many times while Chinnawat was engaged in negotiating to work out the new deal," said the government source, without naming the contender.

The source added that the government has had difficulties with uncertainty over the terms of contributions made by some countries, particularly Japan, to develop Lao telecom infrastructure.

Japan has supported Laos, mainly with telecom equipment, in the same way other developed countries assist less developed nations in the region. Chinnawat and Laos have to handle the issue without affecting their new contract, said the source.

Chinnawat started its venture in Laos in early 1994, after being given the rights to provide a public telephone network, international calls, cellular mobile phones, public payphones, and paging. Chinnawat received 70 per cent net profit after tax while EPTL receives 30 per cent or five per cent gross revenue, whichever is greater.

The first contract allowed for a 15 year operation by Lao Chinnawat Telecom Co (Lao Shin) with the government's Enterprise Des Postes Et Telecommunications of Laos taking only 30 per cent with the rest taken by Chinnawat. The company has recently started a cellular venture while a television business was sold off.

According to Chinnawat International President Arak Chonlatanon, the new contract introduced new content with the government taking a 51 per cent stake for a longer contract period of 20 years.

The investment system was also improved from build-operate-transfer to build-own-operate. The company's name was changed to Laos Telecom and it is tasked to carry out the country's teleco projects from Plan I until the contract period runs out, according to Arak.

The Lao government worked on Plans I and II themselves while Lao Shin came up with Plan III. Laos has started to move into Plans IV and V. The government's telecom agency, EPTL, will have its assets merged into Laos Telecom under the new deal to be signed with Chinnawat. The new joint venture will control the whole country's telecom services.

Laos Telecom plans to start with US\$91 million registered capital. Laos does not spend its own money, but evaluates its assets, including those from other countries' contributions, into the amount of its joint investment.

Arak said new projects under the new deal will require about US\$250 million. He declined to mention the rate of return and payback period.

Chinnawat has found its GSM cellular system experiencing slow growth. Anan Keoluamvong, general manager of Lao Shin, said the company has won 1,500 users and expected an increase of 500 subscribers by the end of this year after two years of operation from the Bt200 million investment.

Thailand: Commerce Minister, Mexico's Gurria Discuss Trade

BK0507145896 Bangkok Radio Thailand Network in Thai 1200 GMT 5 Jul 96

[FBIS Translated Text] Commerce Minister Chuchip Hansawat reported on his meeting with the visiting Mexican foreign minister, Jose Angel Gurria. He said they discussed opportunities to expand Thailand-Mexico trade, which is still low. The Thai private sector has expressed interest in investing in Mexico. Mexico is also interested in investing in Thailand to pave the way for trade and investment cooperation with other ASEAN countries. Minister Chuchip said Thailand considers Mexico a gateway to South America.

Mexico also expressed interest in expanding air services cooperation with Thailand. The Mexican foreign minister will hold more discussions on this matter with Thailand's communications minister.

Thailand: Foreign Minister on Romania, Switzerland Visits

BK0507094196 Bangkok Radio Thailand Network in Thai 1200 GMT 4 Jul 96

[FBIS Translated Text] Amnuai Wirawan, deputy prime minister and minister of foreign affairs, granted an interview to reporters to discuss the results of his recent visit to Romania and Switzerland.

He reported that in Romania, agreements were signed on the avoidance of double taxation, and on scientific and technological cooperation.

In Switzerland he attended a meeting on international trade. The meeting discussed preparations for the ministerial-level meeting, which will be hosted by Singapore at the end of this year. The meeting also discussed the management of regional trade system, which requires everyone's cooperation and no obstacles

to trade. The issues that do not directly concern trade, such as human rights and labor standards, must not be linked to trading conditions. The wishes of one group must not be used as criteria to make countries with low bargaining power unable to fight in the trade arena. These talks are seeking common ground in order to further progress in international trade in the future.

Thailand: APEC Action Plan Submitted for Market Opening

BK0407042996 Bangkok BANGKOK POST in English 4 Jul 96 p 22

[Report by Somphon Thaphanachai]

[FBIS Transcribed Text] Thailand has submitted action plans for opening its markets under the Asia-Pacific Economic Cooperation (APEC) group in all the required areas except tariffs the most basic area of trade liberalization.

Rachen Photchanasunthon deputy director-general of the Business Economics Department, described Thailand's submission as a demonstration of the country's "spirit" of cooperation.

APEC's 18 members have agreed to complete action plans under 15 headings by the time the group's leaders meet at this year's summit in the Philippines in November. The plans are intended to map out the road toward free trade and investment in APEC by 2010 for developed country members and by 2020 for developing countries.

For the time being, market-opening measures would be made available to nonmembers as well as to APEC members. The APEC countries differ on whether the ultimate goal should be absolute free trade. They are also undecided about the possibility that liberalization should continue to be available to non-members if they fail to reciprocate.

The 18 APEC countries are the United States, Canada, Mexico, Chile, China, Taiwan, Hong Kong, Japan, South Korea, ASEAN excluding Vietnam, Papua New Guinea, Australia and New Zealand.

Thailand's plans under 14 headings have been submitted to the Philippines, this year's APEC host. Manila will report progress to APEC trade ministers who will meet in two weeks in New Zealand.

At the last meeting of senior officials, Thailand submitted plans under only three headings - dispute mediation, standards and conformance, and mobility of business people. Thailand has now added plans for another 11 sectors, Mr Rachen said.

He said Thailand could not submit plans for tariff reductions because the Finance Ministry needed to study the details more closely.

And when it comes to an action plan for service sectors, Thailand will detail liberalisation only in energy and maritime transportation. Plans for telecommunications, air transport and insurance will be submitted later.

The maritime services plan consists of items for "review" or "consideration" in the three periods of liberalisation: 1997-2000, 2001-10 and, 2011-20. There are no specific commitments on any point. Among the points to be considered are: further privatisation and liberalization and relaxation of foreign ownership limits.

The energy plan envisages liberalization and promotion of competition in refined oil liquefied petroleum gas, natural gas and electricity generation.

Other sectors in the action plan are: non-tariff measures, investment, intellectual property rights, competition policy, government procurement, deregulation, customs procedures, rules of origin, implementation of the agreements of the Uruguay Round of world trade talks, and exchanges of information.

Deputy Prime Minister Amnuai Wirawan, as chairman of International Economic Policy Committee, has approved the plan.

Mr Rachen said each APBC member would likely wait until the last meeting of senior officials, immediately before the November summit, before submitting its full action plan.

Therefore, the process of consultation over the plans must be conducted later next year when Canada becomes the next host, he said.

Some APBC members want to see more liberalisation in specific sectors. The United States, for example, has been pressing for a zero tariff rate on information technology products.

But some developing members including Thailand are urging caution. And Hong Kong has said that the proposal should include tariff reductions for products such as televisions and electronic components manufactured by developing countries.

Thailand: Foreign Minister Denies Country Has 'Poor Image'

BK0507054696 Bangkok THE NATION in English
3 Jul 96 p A3

[Unattributed report]

[FBIS Transcribed Text] Repeated changes of foreign ministers and their deputies have not tarnished the

country's image in eyes of the international community as all they want to see is a stable government, Foreign Minister Amnuai Wirawan said yesterday.

Amnuai, leader of Nam Thai Party, discussed reports that repeated changes of senior portfolios in the ministry are giving the country a poor image.

"I don't think so. What other countries are watching for is a stable government, economically and politically. They only want to know if regional and international stability will be affected," Amnuai said.

He claimed that the present political situation was stable.

Since 1990, Thailand had gone through a number of foreign ministers, including Subin Pinkhayan, Athit Urairat, Prasong Sunsi, Pongphon Adireksan, Asa Sarasin, Thaksin Chinnawat, Krasae Chanawong, and Kasemsamson Kasemsi.

New Deputy Foreign Minister Pracha Khunakasem, former permanent secretary for foreign affairs, is considered "an old hand," Amnuai said, therefore, he is expected to contribute a lot to the ministry.

The Phalang Tham Party (PDP), in a surprise move recently replaced Charat Phuachuai, who is a party deputy secretary-general, with Pracha, a first-time MP.

Pracha, a long-time bureaucrat, resigned from the Foreign Ministry last year to compete in the national election under PDP banner. He was elected to represent Bangkok's Constituency 7.

As an MP, he worked as an advisory on foreign affairs for Prime Minister Banhan Sinlapa-acha before being appointed as deputy foreign minister.

"I knew before that the PDP wanted Pracha involved in foreign affairs due to his vast experience concerning foreign diplomacy," Amnuai said, but declined to comment on the PDP decision.

Amnuai praised Charat for the work he did at the ministry. "Khun Charat had a lot of initiatives to help the ministry's affairs. He put his best efforts forward to push for the ministry's program," Amnuai said.

Thailand: Chuan Meets 'Disaffected' Military Students

BK0407054096 Bangkok THE NATION in English
4 Jul 96 p A2

[Report by Chintana Panya-awut]

[FBIS Transcribed Text] Opposition leader Chuan Likphai said he had tried to calm down students from the armed forces' Joint Staff College who were

dissatisfied with the current political situation, which they said was dominated by unscrupulous politicians.

The students expressed their concern over the negative image of Thai politics and said they could do something to avert the trend, such as rallying publicly, the Democrat Party leader said yesterday after speaking to the students. He gave a lecture on politics at the college yesterday.

Chuan said that he told them it was normal for a democratic country to occasionally have some bad politicians making up a bad government, but the democratic process should be allowed to survive and grow.

He said he urged the students "not to do anything illegal" and that their dislike toward a group of politicians or the government should not lead to democracy being damaged. Chuan was possibly referring to a coup attempt.

The Joint Staff College provides continuing education for high-ranking military officers.

The ex-premier commented that a bad government or some bad politicians would not be able to stay in politics longer than four years if they were not reelected. He asked voters to make amends for their past mistakes concerning these MPs.

Chuan, the immediate predecessor to Prime Minister Banhan Sinlapa-acha, also strongly criticized the current political situation where he said money politics thrived.

"Politics is now characterized by attempts to make personal gain. It is based on a belief that public popularity is not as important as money, which will be used to buy votes," he said.

Responding to Chat Phatthana Party's plan to target the whole Cabinet in the next censure debate against the government, Chuan said the final decision will be jointly made by the four opposition parties.

The matter would be discussed by opposition leaders after Parliament reconvenes later this month, he said.

Thailand: Rift in Banhan's Chat Thai Party Said Widening

BK0507052796 Bangkok THE NATION in English
5 Jul 96 p A1A2

[Report by Political Desk]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha remained unable yesterday to defuse the simmering tension between himself and Chat Thai secretary-general Sano Thianthong, who told a close aide that he and Banhan are finished.

Sources in Sano's faction claimed that if the conflict remained unsolved, MPs under the secretary-general's control might vote against Banhan at the end of the next censure debate.

Even New Aspiration Party leader Chawalit Yongchaiyut, who normally likes to play down government conflicts, admit yesterday he was getting increasingly worried about the Chat Thai situation.

"It's getting itchier all the time — a bit here and there. When it occurs too often people will have bad feelings, Chawalit said.

The sources said Banhan tried to make a rapprochement with Sano through Burin Hiranburana, a Sa Kaeo MP who belongs to the Wang Namyen faction [controlled by Sano]. But Sano was not satisfied with the explanations Banhan tried to convey to him, they said.

Sano had lashed out at Banhan for monopolizing major party affairs, including a planned seminar that should have been supervised by the secretary-general. He was also upset by Banhan's failure to inform him and other Chat Thai MPs in Sa Kaeo that the prime minister was visiting the province on Wednesday.

Banhan asked Burin to tell Sano that the visit to Sa Kaeo was supposed to be a military inspection trip and a "misunderstanding" in the itinerary resulted in no civilians being invited. One source claimed that despite Banhan's explanations, Sano declared he and Banhan "are finished".

Banhan's problem continued despite another Cabinet reshuffle yesterday reinstalling Prachakon Thai to his government and replacing two Phalang Tham Cabinet members. Phimpha Chanprasong became deputy communications minister and Pracha Khunakasem was named new deputy foreign minister. The source said: "He may meet his destiny at the censure debate, during which we might be too weak to raise our hands to support him."

Sano's Wang Namyen faction and the Thoe Thai group seem to have formed a loose alliance against Banhan and tried to curtail his power by propping up former party leader Praman Adireksan as an alternate. Party executive president Praman has been asked to negotiate with Banhan — to no avail so far — over the demands of the disgruntled groups.

Thoe Thai members continued their daily Banhan bashing yesterday, branding the prime minister a "liar". They referred to his repeated promises that never materialized.

Buri Ram MP Chai Chitchop renewed his warning that Thoe Thai might defect. "Good boxers only stay with

camps that feed them well. I wonder if he still needs us," he said, adding that Banhan loved the Phalang Tham and Prachakon Thai parties more than his own MPs.

Banhan, coming back from an inspection trip to Ubon Ratchathani, sternly waved off reporters' questions.

He told reporters who had accompanied him on his trip that he would refrain from answering any political questions for one week.

Thailand: Opposition to Anti-Money-Laundering Bill Viewed

BK0507052696 Bangkok THE NATION in English 5 Jul 96 p A1, A2

[Report by Pharit Iamphongphaibun]

[FBIS Transcribed Text] It is unlikely the government-backed anti money-laundering bill will have an easy passage through Parliament. The legislation could even fail to clear the first hurdle, getting the nod from the Council of State — judging from the council's previous comments on the legislation.

The council, the government's legal advisory body, was last year asked for an opinion and reported that the bill overlapped an existing anti-narcotics law and breached people's privacy rights.

Although the council's comments are not legally binding, governments and state agencies often follow its advice.

The anti money-laundering bill, drafted by the Office of the Narcotics Control Board (ONCB), was approved in principle by the Cabinet on Tuesday.

Cabinet Secretary-General Witsanu Khrua-ngam said yesterday he would submit the draft to the Council of State for consideration within the week.

The bill, directed at drug-related activities, will be sent back to the Cabinet for final approval before being considered by Parliament.

During the previous government, Maitri Tantemsap, then secretary-general of the Council of State, told ONCB chief Picha Champarat in a letter that there was already a 1991 anti-narcotics law dealing with drug-related money laundering.

He said the act like the proposed bill empowered officials to seize or freeze money or property of people involved in the drug trade, even if it had changed hands.

Maitri said the bill and the existing act had contradictory clauses empowering different agencies to perform the same task. If the bill became law there would be legal complications.

Under the act, dozen or seized assets of suspects must be returned if the court decides not to take action against them or they are acquitted.

But under the bill, frozen or seized assets would belong to the state even if the suspects were not found guilty.

Maitri suggested that the government amend the anti-narcotics act and other relevant laws, instead of pushing for a new one.

He also said the term "Suspect activities" — involving dealings with banks or financial institutions — which could be checked was too vague and should be clarified.

The bill would empower authorities to access personal information and computer data banks of financial institutions.

Although the bill says authorities could do this only with a court order, it breaches the people's privacy rights," he said.

Under the draft, a central office would be set up to gather information from financial institutions or other businesses on people suspected of money laundering, information previously regarded to be highly confidential. Bank customers would be required to properly identify themselves to financial institutions before engaging in transactions above a fixed value, a move aimed at curbing the options of known traffickers.

Maitri said in the letter that if the government still wanted to support the bill then limits should be placed on the power given to officials, to protect innocent people.

Chaiyot Hemaratchata, who chairs a subcommittee drafting the bill, argued yesterday that the Council of State's comment last year was not an official one as it was made by only a few senior members.

ONCB Deputy Secretary-General Sorasit Saengprasoe, who oversees legal matters, said it had been the government's policy to put forward an anti money-laundering bill since it took office.

He was not worried about the Council of State's interpretation of the bill. But he was concerned that the principle behind the bill could be changed by Parliament.

Thailand: Chawalit: Premier Not To Interfere in Army Reshuffle

BK0307063596 Bangkok THE NATION in English 3 Jul 96 p A2

[Unattributed report]

[FBIS Transcribed Text] Defence Minister Chawalit Chongchaiyut yesterday stressed that this year's annual

military reshuffle would not be interfered with by politicians, including Prime Minister Banhan Sinlapa-acha.

"My principle is that I want the armed forces to handle the matter themselves without interference from any politicians," Chawalit said.

"Military officers, due to our past experience, know (how to make a reshuffle list) better than politicians," Chawalit added.

Chawalit, who is also a deputy prime minister, said the list should be finished by August as it would have to undergo a multistep procedure.

He reiterated that the military transfers this year will not suffer from interference by the premier or other politicians.

"I want to repeat that the prime minister will certainly not interfere with the reshuffle," Chawalit said.

The defence minister declined to comment on the question of whether officers who were involved in the May 1992 upheaval would be considered for promotions this year.

He also declined to comment as to whether he was eyeing a new supreme commander to replace the retiring Wirot Saengsanit, saying he would discuss the matter with the defence permanent secretary.

Chawalit dismissed speculation that Banhan had requested that Armed Forces Chief of Staff Gen. Mongkhon Amphonphisit not be transferred during the reshuffle.

Thailand: Banhan Urged To Share Plan Legalizing Wiretapping

BK0307052296 Bangkok BANGKOK POST
in English 3 Jul 96 p 3

[Unattributed report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha's move to legalise wire-tapping has drawn strong opposition from the chairman of the House justice and human rights committee and the Democracy Confederation secretary-general.

Mr Banhan reportedly told his legal advisers last week to draft a bill giving the Supreme Commander and the three armed forces chiefs the power to order wire-tapping for national security reasons.

The House committee chairman, Witthaya Kaeopharadal, yesterday described as "irrational" Mr Banhan's reasoning that such legislation was needed for the sake of national security.

"Wire-tapping is a serious infringement on fundamental rights of an individual. No democratic countries have ever legalised it," Mr Witthaya said.

A law like that would make phone users feel insecure no matter whether they were discussing personal business or political affairs, he said.

Mr Witthaya said he would raise the issue at today's meeting of the committee and would invite parties concerned with the bill's drafting to discuss it with the panel.

In a statement released yesterday, Democracy Confederation secretary-general Weng Tochirakan called for legislation that would strictly prohibit wire-tapping without court orders.

Dr Weng said though phone tapping was a criminal offence under the Telegraph and Telephone Act, the practice was widespread in the political, military, business and government circles without anyone ever being prosecuted.

Dr Weng cited the publishing of a telephone conversation between Dr San Hathirath and Mrs Prathip Ungsongtham, both executive members of the confederation, in June last year.

Mrs Prathip and Dr San later filed a complaint with the Crime Suppression Division against Sanya Sathirabut, then deputy director of the Democrat Party's election campaign, accusing him of listening in on their phone discussion of a plan to produce anti-Democrat posters.

Meanwhile, Attorney-General Khanit Na Nakhon said yesterday his office would weigh national security reasons against individual rights if the wire-tapping bill was proposed.

A law with too much emphasis on national security could affect people's rights, while a law promoting individual rights could also affect national security, he said.

Thailand: Bankers: Wicht's Successor Must Lift BOT Credibility

BK0307060496 Bangkok BANGKOK POST
in English 3 Jul 96 p 15

[Report by Business POST reporters]

[FBIS Transcribed Text] The Bank of Thailand (BOT) needs a good leader to restore public confidence in its credibility which was shaken under governor Wicht Suphinit who resigned yesterday, bankers say.

The new governor, likely to be appointed by Finance Minister Bodi Chunnanon next week, would also have

to work hard in tackling economic problems including high inflation and the worsening current account deficit, they said.

Most of the bankers who commented, and many central bank officials, preferred one of the central bank's senior executives to succeed Mr Wichit.

"All central bank executives have the same philosophy, so we will not have to adjust our thinking to match that of the new governor," said Phisan Manolihakun, managing director of Thai Farmers Research Centre Co.

Som Chatusiphitak, president of the Siam City Bank, said that if an "insider" was appointed, it would help the morale of all central bank officials.

There are two "insider" candidates for the post, Roengchai Marakanon, who was appointed as acting governor yesterday, and Chaiyawat Wibunsawat, the deputy governor.

Some central bank officials said Mr Roengchai and Dr Chaiyawat were both acceptable to them.

"If one of the two deputy governors was promoted to be the new governor, it will benefit all of us because they understand well the central bank's working style and concept of thinking. If an outsider was appointed to take the post, he would have to study our concept of thinking," said Nongnat Sonthisuwan, deputy director of Financial Institution Supervision and Development Department.

Nukun Prachuapmo, former governor of the Bank of Thailand, said: "It is not important whether an outsider or insider is appointed as the new governor. But the new governor must be capable of restoring public confidence, at home and abroad, in the central bank."

Mr Nukun, as well as some bankers, said the new governor must not bow to political pressure, and must be decisive about what the central bank believes it is right for the country.

"The central bank governor must be ready to be sacked, or call it quits," Mr Nukun said.

Besides the two "insiders", others suggested for the post include M.R. [Mom Ratchawong — royal title] Chatumongkhon Sonakun, the permanent secretary for finance.

But central bank sources said if M.R. Chatumongkhon was appointed he would have difficulty winning recognition from central bank officials because his thinking on economic problems always differed from theirs.

A recent example of their conflict was the Finance Ministry's proposal to cut import tariffs on 13 items of luxury goods. The ministry believed it would encourage

people to buy these goods in Thailand instead of abroad, reducing the current account deficit.

The sources said another candidate, M.R. Pridiyathon Thewakua, president of the Export Import Bank of Thailand, was unlikely to be accepted because he lacked charisma, although he impressed Prime Minister Banhan Sinlapa-acha at a recent meeting of the economic stability and security committee.

Thailand: Country's Revenue Stays Above Expenses
BK0407053496 Bangkok THE NATION in English
4 Jul 96 p B12

[Unattributed Report]

[FBIS Transcribed Text] Thailand has managed to maintain the nation's revenue above expenses during the first eight months of the 1995/1996 fiscal year, despite a drop in value added tax (VAT) in the corresponding period, according to a Finance Ministry press release.

The revenue collected during the period starting from last October topped Bt(baht)580 billion and marked a 12.6 per cent increase from the same period in the previous fiscal year. The amount is 0.2 per cent higher than what was projected.

The expenses amounted to Bt478 billion, a 15.6 per cent increase.

The Revenue Department collected Bt321 billion, Bt2.4 billion or 0.8 per cent above the projection, mainly due to individual taxes which surged 19.0 per cent higher than the projection, and special business tax which was 8.1 per cent above the projection. However, the department failed to meet projections in the areas of VAT and corporate taxes which showed Bt5.7 billion and Bt5.2 billion or 4.5 and 5.1 per cent below projections.

The Excise Department reported the collection of Bt113 billion, rising by 9.2 per cent from the corresponding period, though car taxes amounted to Bt2.2 billion or 7.9 per cent lower than projected.

The Customs Department collected Bt89 billion, Bt2.5 billion or 2.8 per cent lower than projected. The ministry attributed that to lower-than-expected import tariffs.

The other agencies collected Bt57 billions Bt476 million or 0.8 per cent below projection, mainly due to falling revenue of state enterprises.

Regarding expenses, state agencies spent a total of Bt478 million, a 15.6 per cent increase from the same period a year ago. Of this, Bt378 billion was booked as budget disbursement, representing 44.9 per cent of the fiscal budget of Bt843 billion in comparison.

Corporations whose accounting period runs from Jan 1 to Dec 31 are scheduled to pay taxes during July-August.

The department hopes its database will speed up payments.

In a separate release, the Revenue Department reported the department held a meeting with district officers in a bid to meet the projected corporate tax revenue. It hopes that the half-year corporate tax revenue will not be less than half the previous year's. To meet this objective, the department will allow taxpayers to count forged tax receipts as expenses, without facing civil or criminal charges.

Contractors have recently complained they have been burdened with forged receipts and they currently face a problem with the regulation that prohibits them from buying construction materials from sellers who are not under the VAT system, or they cannot deduct the expenses.

The Thai Contractors Association sought a meeting with the department on July 1.

The department promised it will launch tough action against receipt forgery.

Vietnam

SRV: Tran Trong Tan Remarks at Party Congress Noted

BK1007100196 Hanoi Vietnam Television Network in Vietnamese 0630 GMT 1 Jul 96

[Remarks made by delegate Tran Trong Tan at the 1 July closing session of the Eighth National Party Congress in Hanoi — live]

[FBIS Translated Excerpt] [Passage omitted on an unidentified member of the congress secretariat reading the amended party statute] [Le Duc Anh] Yesterday, the presidium sent to the delegates a report informing them of the views contributed by the congress to amend the draft party statute and to solicit their views today before voting to pass the entire party statute and not each article separately. The delegates have all agreed to this procedure. The presidium noted that although the congress had discussed Article 46 on the party's finances, there still remain differing views on it. The presidium would like the delegates to first vote to pass this specific article, before voting to pass the entire party statute. What is it?

[Unidentified delegate] Comrade Hai Tan [Tran Trong Tan] would like to express his views.

[Le Duc Anh] Well, please, comrade.

[Tran Trong Tan] Comrade presidium, dear comrades: Article 17 of this party statute mentions two points: First, that the Political Bureau standing board will be appointed by the Political Bureau instead of being elected by the Party Central Committee and second, that the number of standing board members will not be determined by the Party Central Committee. It has been mentioned many times in this statute, however, that the right to make decisions is given to the Political Bureau standing board. In my opinion, this does not conform with the principle of democratic centralism; therefore, I propose abolishing the wording, which states that the right to make decisions rests with the Political Bureau standing board. The reason for this is that this arrangement differs from past practices when the Secretariat was elected by the Party Central Committee. That is my opinion. I would like to stop here. [applause]

[Le Duc Anh] Your remark is still unclear. Would the congress secretariat take note of this remark for voting. Do you have any other remarks, comrade delegates? Please, comrade.

[Unidentified delegate] There is one more thing worth noting here. If the first round of elections fails to elect a sufficient number of members as required, the congress will decide whether or not a second round of election is needed. We have failed to mention this provision in this statute. May I propose that we add this to the statute?

[Le Duc Anh] Well, this provision has already been included in the statute. With regard to the opinion of Comrade Hai Tan [Le Trong Tan], it has already been decided. There will not be any new voting today. It has already been decided. Is there anything else you want to express, comrade delegates? Please, comrade. Speak a little louder, please!

[Tran Trong Tan] Dear comrades: While voting the other day on the issue whether the Political Bureau standing board would be elected by the Party Central Committee or appointed by the Political Bureau, the majority of us agreed that the Political Bureau standing board would be appointed by the Political Bureau instead of being elected by the Party Central Committee. Based on that voting, I would like to propose that the right to make decisions be given to the Political Bureau rather than to the Political Bureau standing board. The reason is because the standing board is not an organ elected by the Party Central Committee nor are its number of members determined by the Party Central Committee. For example, the standing board could consist of five or seven members only. This means that the end result is that there will not be a large number of standing board members. I am afraid that if the standing board is given the right to make decisions on

too many issues, this would not be beneficial, nor does it conform with the principle of democratic centralism. I would like to stop here. [applause]

[Le Duc Anh] You did not express your views clearly. Would the congress secretariat take note of this remark for voting? Please, let us first vote on Article 46. Would the congress secretariat please get ready for the voting? A number of delegates want the congress to vote to pass Article 46 about the party's finances before voting to pass the entire amended party statute. Under Article 46, the party's finances consist of party membership fees that are paid by party members and of collections from party-operated business enterprises and nonproductive party units, the state budget, and other collection sources. As the delegates have already discussed this article, may I ask the congress just to vote to pass it today. Delegates who vote for the passage of Article 46, as it has already been drafted, please raise your hands. Delegates who vote against the passage of this article please raise your hands. It is only a minority of votes. Thus, the majority of delegates have voted for passage of Article 46 as it has already been drafted. [applause] The number of comrade delegates who voted for the passage of this article is uncountable; therefore, would the comrade delegates who voted against the passage of this article please register their names with the congress secretariat so that we can have a correct vote count.

With regard to the issue relating to the Political Bureau standing board, is it correct that Comrade Hai Tan [Tran Trong Tan] did not want the duties of the board to be defined in the statute?

[Tran Trong Tan] The duties of the board should be defined, but the right to make decisions should be given to the Political Bureau.

[Le Duc Anh] Well, if you only mention the need to change the wording, your views are still unclear.

[Tran Trong Tan] Please allow me to clarify my views as follows: It has been stated many times in this party statute that the right to make decisions will be given to the Political Bureau standing board. Let me mention just one instance. After counting, I realized that it turned out that the same wording appeared as many as 19 times. In the first instance, it has been stated that the establishment of party organizations in localities with special characteristics must comply with the instructions of the Political Bureau standing board, and so forth. In other words, the instructions of the Political Bureau standing board has been mentioned many times in this party statute. I would like to change this wording to say that the right to make decisions will be given to the Political Bureau. The reason is since the Political Bureau

is a collective elected by the Party Central Committee, it has the power of a party hierarchy and also the number of its members is determined by the Party Central Committee. In the meantime, under Article 17, first, the number of members of the Political Bureau standing board will be determined by the Political Bureau and second, the Political Bureau will appoint its standing board instead of electing it. In my opinion, because the Political Bureau standing board does not have the power of a party hierarchy, it should not be given the right to make decisions. It is our intention to discuss this issue again and I personally suggest that the phrase 'the Political Bureau standing board' be removed and replaced with the phrase 'the Political Bureau' in all of those instances. [applause]

[Le Duc Anh] With regard to the separate issue relating to 'the Political Bureau' versus 'the Political Bureau standing board,' may I ask the congress to let the Party Central Committee make an appropriate revision to reflect the common spirit of the congress. Our consensus should be this: The right to make decisions belongs to the Political Bureau and it is up to the Political Bureau to appoint its standing board and define its specific duties. Do you agree with this? [applause]

[Do Muoi] Comrades, I would like to contribute my opinion. Comrade Hai Tan [Tran Trong Tan] has expressed his views quite clearly. The Political Bureau standing board handles affairs on behalf of the Political Bureau and it does not make decisions. The amendment of this article should be made with that in mind. [applause]

[Le Duc Anh] Well, we all agree with this; therefore, we do not need to vote on it. This means that the right to make decisions belongs to the Political Bureau, whereas the Political Bureau standing board only acts on behalf of the Political Bureau. So, the congress has agreed with this. Thus, the Political Bureau standing board handles things and manages affairs on behalf of the Political Bureau. Is that correct? May I suggest the congress vote on this issue. The responsibility rests with the Political Bureau. This means that the Party Central Committee is vested with power and it appoints the Political Bureau; therefore, the right to make decisions belongs to the Political Bureau. It is up to the Political Bureau to determine the duties of the Political Bureau standing board.

[Tran Trong Tan] Dear comrades, as far as I can remember, we already voted on two aspects of this issue, namely, first, whether the number of Political Bureau standing board members will be determined by the Party Central Committee or by the Political Bureau; and second, whether the Political Bureau standing board

will be elected by the Party Central Committee or appointed by the Political Bureau. The majority of delegates have agreed that the Party Central Committee will not determine the number of, or elect, the Political Bureau standing board, and that it is up to the Political Bureau to determine the number of its standing board members. As far as I know, we voted on this issue in that sense. Yet, when this issue is incorporated into the statute, it has been stipulated that the Political Bureau standing board has the right to make decisions on many issues. As such, the Political Bureau standing board becomes a party hierarchy without going through the election process. I suggest, therefore, that the phrase 'the Political Bureau standing board' be changed into 'the Political Bureau.' As for the internal affairs of the Political Bureau, it is just a matter of work distribution and as such, it should not be incorporated in the statute. [applause]

[Le Duc Anh] Well, I would like to suggest that the congress take note of Comrade Hai Tan's opinion. Please vote. Thus, we have a majority vote. Are there any other views you want to express? Let's vote. Would the delegates who vote to pass the amended party statute please raise their hands. Would the delegates who vote against or have different views on the statute please raise their hands. [applause] Thus, our congress has passed the amended statute of the Communist Party of Vietnam. [applause] [passage omitted dealing with the results of the election of the Eighth Party Central Committee]

SEV: Military Delegates Address Party Congress

BK1007030596 Hanoi NHAN DAN in Vietnamese

29 Jun 96 p 6

["Excerpt" of speech by Doan Khue, chief of the Military Party Organization delegation to the Eighth National Congress of the Communist Party of Vietnam, given at the Ba Dinh conference hall in Hanoi between 28 June-1 July 1996]

[FBIS Translated Text] On behalf of all the party members, cadres, combatants, and national defense workers in the armed forces, we, the Military Party Organization delegation, would first like to express our immense gratitude to the party — the invincible leading banner of our nation and our people's armed forces — and to the State, the Front, various revolutionary organizations, the working class, the peasant class, the battalion of intellectuals, and the multiethnic people nationwide for having supported, nurtured, encouraged, and trained the armed forces and built the all-people national defense foundation — a solid pillar that helps the armed forces fulfill its assigned missions. Our gratitude also goes to those mothers who have given birth to and brought up various generations of youths to

take up the tradition of Uncle Ho's troops; and to those international friends, near or far, who have given us constant encouragement during those extremely difficult years and months.

The Military Party Organization delegation would like to express its great consensus over the political reports as well other reports presented by the Party Central Committee at the congress.

The party platform affirms: "Strengthening national defense and maintaining national security are important and regular tasks of the entire people and country."

The Party Central Committee Military Commission and the Ministry of National Defense have joined the party committees and the administration at various levels, the people's security forces, and the border defense corps in motivating and organizing the entire Army and people in many strategic areas to strictly comply with various resolutions on national defense and security. Numerous important achievements have been recorded in this field.

Combined with the people's security-related combat force, the all-people national defense combat force has been gradually consolidated, with its substance being ever more comprehensive. Various defensive areas in provinces, cities, precincts, districts, wards, and villages — the foundations of the all-people national defense combat force — have continued to be built and their construction is gradually entering its in-depth dimension. National defense training, especially that given to highschool and college students, has been stepped up. Various defense drills connected with the security maintenance task have been carried out in many localities. National defense activities of various ministries under the government and of various sectors have been gradually deployed.

The integrated quality and the militancy of the People's Army have been increased. Specific attention has been focused on building the Army politically so that it can be firm in the cause of national independence and socialism and absolutely loyal to the people and the fatherland, and can resolve to protect the party, the regime, and socialism.

While undergoing a shift in their management mechanism, national defense industry enterprises have been able to overcome numerous difficulties and maintain their contingents of cadres and workers as well as their production capacity. Units engaged in economic activities have been able to stand on their own feet in the new economic system. Many of them have been able to hold firm in various strategic areas and have efficiently carried out the task of combining economic construction with national defense.

State control over national defense has been worked out in detail in a comprehensive mechanism.

Party leadership over national defense, the Army, and the people continues to be revamped, and the principle of the Army being placed under absolute and direct party leadership in all respects has been firmly consolidated. In various localities, the system by which the party committee serves as the leader, the administration as the operator, and the military affairs agency as the adviser has been carried out successfully and is gradually going onto its right track.

The above results have contributed greatly to the overall success, that is, the country's political stability has been maintained; the hostile forces' "peaceful evolution", rebellious, and subversive attempts have been further frustrated; national independence and sovereignty and the socialist regime have been protected, thus creating a favorable environment for continuing to carry out the renovation process successfully along the socialist path.

Thanks to the achievements recorded in national construction and defense over the past few decades, the renovation achievements recorded over the past 10 years, and especially the great, very important achievements recorded since the Seventh Party Congress, our country has entered a new era — the era of industrialization and modernization along the socialist path.

Carrying out industrialization and modernization along the socialist path is the central task for the entire period of transition (to socialism) and also a great task that our people, working class, and party have long conceived and persistently carried out since the total liberation of the north.

Carrying out industrialization and modernization along the socialist path is not only our ideal and goal but also our most correct way to successfully overcome and eliminate the danger of lagging further behind economically.

Failing to be thoroughly aware that industrialization and modernization are the central task of the entire period of transition, showing simplistic economic indications such as being lured by existing profits and disassociating economic construction from national defense and security maintenance, and having illusions and loss of vigilance are all dangerous mistakes that will have a long-term impact on many generations.

The political report of the Party Central Committee affirms that the national defense and security task for the period ahead will consist of "developing the integrated strength of the entire people and political system; gradually strengthening the national defense and security potential of the country; firmly building the all-people na-

tional defense; linking the all-people national defense combat array with the people's security arrangements; improving the quality of the armed forces; firmly safeguarding the independence, security, and sovereignty of the country and its territorial integrity; protecting the people, party, and socialist regime; preventing and foiling all the schemes and actions aimed at creating political unrest, violating independence, sovereignty, and territorial integrity, and hampering national construction and development; averting and effectively punishing all types of crime; and satisfactorily guaranteeing public order and safety."

A guiding thought for implementation of the national defense and security tasks is to closely link the following strategic tasks:

— national defense with national construction, national defense with security maintenance, national defense and security maintenance with economic construction, and national defense and security maintenance with diplomatic tasks.

Linking economic construction with national defense and security maintenance must be reflected in the general socioeconomic development programs and plans of the entire country as well as of every sector, area, and locality, trying to ensure that every step of socioeconomic development be accompanied by efforts to consolidate national defense and security. In various economic plans and projects, we must attach importance to the requirements for self defense and the contributions to maintaining and revamping the overall national defense combat force. In addition, each national defense project must be tasked with ensuring security for economic activities and providing overall security for itself and the area as a whole.

In economic and national defense development, we must pay attention to key areas and must satisfactorily distribute the population and manpower, and shape up strategic rear bases for the entire country and for each given area, using them as a solid pillar for the all-people national defense combat force, which must operate in close combination with security maintenance arrangements. We must pay attention to closely linking economic construction in our territorial seas and offshore islands with efforts to strengthen our national defense and security combat force in these vast areas of the country.

In compliance with their national defense and security task, military party organizations must resolve to build themselves into steadfast ones if they are to lead and direct effectively the cause of building the Army into a regular and gradually-modernized people's revolutionary army that is strong enough to serve as a prop for

the entire people and to foil all the schemes and tricks of the hostile forces.

The armed forces must constantly develop their strong points, resolutely overcome shortcomings and weaknesses and firmly uphold their reputation as Uncle Ho's troops and their tradition of the army and people sharing the same will, fulfilling all assigned missions, overcoming all difficulties, and defeating all enemies, thus becoming worthy of being a source of trust and an inviolable pillar of our socialist fatherland.

Upholding independence, sovereignty, and self reliance, skillfully combining the strength of our country with that of our time, let the people's armed forces resolve to join the entire party and people in ensuring that the country is always in control in all circumstances with no strategic surprises in the wings.

SRV: Solutions to 'Uncontrolled' Emigration in 1998 Planned

BK0607151496 Hanoi VNA in English
1439 GMT 6 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 6 — The prime minister has given an instruction for relevant branches and localities to solve uncontrolled emigration to Tay Nguyen southern highlands provinces and southeastern provinces in 1998.

At present, the number of uncontrolled emigrants to four Tay Nguyen provinces of Gia Lai, Kon Tum, Dac Lac, Lam Dong, and southeastern provinces of Song Be, Dong Nai, Ba Ria-Vung Tau, is up to nearly 173,000 households with a population of 840,000. This status quo seems to continue taking place.

Emigrants come from various nationalities, of which 50 percent are from ethnic minorities of Tay, Nung, Dao, and H'mong.

To some extent the untrilled emigration has made a positive impact on social and economic life in the localities where they immigrate to. Dozens of new resident groups with thousands of workhands in Dac Lac, Lam Dong, Dong Nai, and Song Be, have taken part in local development programmes. As a result more areas of rice growing and industrial crops including coffee, mulberry and rubber trees have been formed in Daten, Cat Tien, Bao Loc in Lam Dong Province Krong Pak, Ea Ka in Dac Lac Province Xuan Loc in Dong Nai, and Binh Long in Song Be.

However, the uncontrolled emigration has also caused many problems. An increase in land disputes, deforestation, and slash-and-burn farming has upset socio-economic development plans in these localities. In the above localities, 63,000 emigrating households, accounting for 41 percent in total, are now leading a hard life. These households live mainly in remote areas where there are not yet roads and cultivated land.

To solve the above problems, local authorities have given out measures to adjust emigration activities in line with nationwide social development programmes. The localities have organised emigrations to areas where forest-growing projects are undertaken. Additionally, projects on settlement, growings of industrial and food crops, orchards, livestock breeding, and land allocation as well as anti-social evils programmes have been also carried out to contribute to developing the country's society and economy.

Australia

Australia: Counterfeit Cigarettes Traced to China

BK0807070296 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 17 Jun 96 p 16

[FBIS Transcribed Text] The Winfield Blues looked good. The printing and packaging seemed perfect. The bar codes, health warnings colours, cardboard and cellophane all appeared spot on.

Not surprisingly, a small shopkeeper in Sydney's western suburbs could not resist buying a consignment on offer earlier this year. Given that the illicit nature of the deal meant that no state or federal government tax had to be paid, the price was certainly right.

The only trouble was that customers complained that the cigarettes did not taste like the genuine article. So the shopkeeper got in touch with his supplier and arranged a meeting in a nearby car park on the pretext of buying another \$10,000 [Australian dollars] worth.

When the supplier arrived, however, the shopkeeper demanded that he take back the original consignment. An altercation ensued, leaving the supplier with a badly lacerated hand requiring surgery at Concord hospital.

All of which might have amounted to no more than just another difference of opinion in the black economy were it not for the fact that the incident had been surveilled by investigators working for Control Risks Pacific and its client, Rothmans. Thus began the unravelling of one of the most audacious scams perpetrated on the Australian corporate sector and Australian taxpayers.

It soon emerged that Rothmans was not the only victim. The private investigation firm Nationwide Security, which works for Phillip Morris in Melbourne, has uncovered imports of counterfeit soft-pack Marlboro cigarettes.

Customs is also following up reports that counterfeit brand name products are now available on the black-market for goods as diverse as breakfast cereals, golf balls and whisky. Although the contents are inferior, the packaging is reportedly a near-perfect copy.

Rothmans' immediate concern after the discovery of the counterfeit packs of Winfield 25s was to find who was behind the racket and stop it. Since the tobacco giant is one of the country's biggest taxpayers, it had little trouble ensuring that its concern was shared by both the federal and NSW [New South Wales] Governments. Federal excise on tobacco is expected to raise more than \$1.6 billion this year and the NSW Office of State Revenue expects \$850 million.

Control Risks, which was already at work trying to trace the source of the counterfeit Winfields, was promptly

joined by Customs officials and police briefed by the Office of State Revenue.

The investigators soon got a lucky break. As they were later to discover, the supplier involved in the parking lot fracas has several Medicare cards in fake names. But when he checked in at Concord hospital, he used a Medicare card made out in his real name. Additional checks showed that the supplier, who claims to have good political connections to a senior figure in the former Labor government, is now facing charges on an unrelated matter. He has a previous conviction for false pretences. Following up other leads, detectives from the NSW Fraud Enforcement Agency — accompanied by Customs officers — executed search warrants in April on the premises of the supplier and his brother, both of whom were born in China. They also questioned an older Chinese who is believed to be the head of the Australian end of the counterfeit racket.

Customs officials also searched a 20-foot container which they suspected of being linked to the two brothers and the older Chinese. Inside it they found a large quantity of counterfeit Winfield Blues packed behind a row of T-shirts. The container's documentation referred only to T-shirts.

Further investigation, undertaken with the help of Control Risks, traced the counterfeit cigarettes back to two factories in China. One is in Changchun in northern China and the other in Jilin in central China.

According to an assessment done with the aid of the Australian Transaction Reports and Analysis Centre (AUSTRAC), both factories are owned by the Chinese Government. This assessment also concluded that the head of the Sydney end of the import operation works directly for the Chinese Government.

Control Risks also helped solve the puzzle of how the Chinese factories made such good copies of the Winfield Blue packets — they use the same equipment. Because Winfield Blue 25s are sold only in Australia, New Zealand and Papua New Guinea, Rothmans had no reason to expect that anyone else would be operating the specialised machinery used to manufacture the distinctive packet. Overseas inquiries, however, revealed that the Chinese factories had gone to a US manufacturer and legitimately bought equipment capable of turning out almost perfect copies of the Winfield packet.

Some idea of the potential scope of the fraud can be gleaned from the fact that the equipment in each Chinese factory is capable of producing 350 packets a minute of fake Winfield 25s. Investigators now believe that other equipment bought by the factories can make similar

quantities of fake versions of popular cigarettes such as Phillip Morris's Marlboro packets of 20.

While the packets are outstanding copies, the actual contents do not meet the strict standards of quality control imposed by Australian cigarette manufacturers. Leaving aside the question of nicotine levels, there are also concerns about whether tobacco used in the Chinese factories is contaminated with dirt and other extraneous material.

Importers of counterfeit cigarettes who manage to avoid both state and federal excises clearly have an enormous advantage over honest companies like Rothmans which meet their full tax obligations. Even if high duties did not apply, the importers of counterfeit goods would enjoy a free ride on the marketing effort put in by established brands. The tobacco taxes mean that if a packet of Winfield Blue 25s retails for \$6.49, States such as NSW and Victoria get \$2.71 in licensing fees, the Federal Government \$1.49 in excise, the manufacturer/distributor \$1.22 and the retailer \$1.07.

On conservative estimates, importers of counterfeit Winfield 25s should easily be able to make a profit of \$2 a packet. A 20ft container could contain about 200,000 packets, generating a profit of \$400,000.

There are strong signs that several 20ft containers have been imported for sale here. The scam seems to have generated handsome profits. Investigators have traced more than \$40 million in property assets belonging to companies associated with the Australian-based Chinese head of the counterfeit operation. The counterfeiting group's ambitions are not confined to Australia. Intelligence information obtained earlier this year shows that the group was involved in an offer to sell 20 containers of fake 20-pack Marlboros for delivery in Hong Kong. As each container was 40ft long, more than 9 million counterfeit Marlboro packs were on offer at an estimated profit of more than \$12 million.

China has been in a prolonged dispute with the US over accusations that Beijing has failed to crack down on pirated software, videos and CDs, often produced in factories owned by the People's Liberation Army. The US has also been angered by the discovery in San Francisco in May of 2,000 AK-47 assault rifles smuggled in from factories owned by the Chinese Government. Last week, reports from Beijing detailed how fake Canon toner cartridges for photostat machines are being manufactured in China. Again, the packaging was better than the contents, which quickly caused photostat machines to jam.

The discovery in Australia of counterfeit cigarettes imported from Chinese Government-owned factories

follows adverse reports from the Australian Security Intelligence Organisation submitted to the former Labor Government in the early 1990s. ASIO identified six Chinese-Australian business ventures whose directors included known members of the Chinese Intelligence Service.

In ASIO's assessment, these officials were stealing Australian technology. Reflecting the approach of the strong pro-China lobby in the Department of Foreign Affairs and Trade, the Labor Government declined to push the issue with Beijing.

The latest challenge from Beijing involves the large-scale theft of the intellectual property rights of Australian companies as well as a massive fraud on state and federal government revenue. With investigations continuing the Howard government is still to formulate a response.

Australia: Use of Helicopters by PNG Angers Canberra

*BK0307042896 Sydney THE AUSTRALIAN
in English 5 Jul 96*

[Received via Internet]

[FBIS Transcribed Text] The United Nations has agreed to a request from the Solomon Islands to intervene in its border crisis with Papua New Guinea (PNG), as the Australian Government investigates claims an Australian-donated Iriquois helicopter was used by PNG forces to cross illegally into Solomon Islands territory and kill six men.

United Nations Secretary-General, Dr. Butrus Butrus-Ghali, has written to the Solomon Islands prime minister saying he was considering the "possible steps" that could be taken to improve relations.

The helicopter incident, where six Bougainvillean rebels in an open boat were killed last Tuesday, has sparked ire in Canberra, which had imposed strict conditions on the use of Australian aid to PNG. The admission of the attack, from the commander of the PNG Defence Force, Brigadier General Jerry Singirok, suggests the PNGDF has been contravening these conditions.

The Minister for foreign affairs, Alexander Downer, said the affair would be investigated. "This is a serious incident. There is no doubt that Australian-supplied helicopters are not to be used for military purposes," Mr. Downer said.

Australia: Article Gives Security Treaty Background

BK0507072696 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 5 Jul 95

[Article by Peter Hartcher: "The Indonesian Deal — an Act of Faith" — received via Internet]

[FBIS Transcribed Text] "There will be only a certain window of opportunity," Paul Keating told Indonesia's President Suharto when he first proposed his idea for a security treaty between the two nations in June 1994.

"I'm not going to be around forever," the Australian prime minister said at the meeting in the presidential palace. It was an honest prescience - he was to be around in power for only another 20 months.

Keating continued to press the point. Few of his predecessors had been very interested in the relationship with Indonesia, he told Soeharto.

There would not be many Australian leaders prepared to take the political risk of proposing such an ambitious idea because of the danger it might fail, he added. And there were limits to the ability of the Indonesians to negotiate a treaty.

Keating suggested to the older man, who had just turned 73, that while Suharto himself had the unchallenged power to forge such a deal, any successor would need to be in office for a long time before he could command the necessary authority.

It was time to make it completely clear that their two countries trusted each other, had no territorial designs on each other, and shared the same strategic interests. A formal declaration of these security fundamentals was the most powerful way to make the point.

"If we don't do it, then it's likely it will never be done," Keating claimed.

Suharto's reaction was noncommittal. He did not say yes, but neither did he say no. It was all the encouragement Keating needed.

The Australian leader immediately followed up by suggesting the retired head of the Australian Defence Forces, Peter Gration, go to Jakarta as Keating's representative to pursue the idea. Soeharto agreed.

Gration was Keating's own choice. The retired general was well known and trusted by the Indonesian regime, particularly its military arms.

When Keating told his new emissary of his secret assignment, Gration was wholly supportive of the plan and thrilled to be chosen to explore it. He endorsed the concept of a security treaty for much the same

reason Keating did - that it would decisively crush the old suspicions and ambiguities that had plagued the relationship on both sides.

But he harboured two big doubts.

First, he thought it might be too ambitious, asking too much too soon of a relationship which had really been restored to cordiality only six years earlier.

Second, he saw that the venture could expose Keating to a good deal of political risk in Australia. But he realised this was entirely a matter for Keating.

Gration, joined by Keating's foreign affairs adviser, Allan Gyngell, arrived in Jakarta three months later and met the man Soeharto had chosen as his chief negotiator, the formidable State Secretary Dr. Mardiono.

Mardiono, like Suharto and Gration, is a retired general. And although he is the chief spokesman for the president, he carries out some of the functions of a prime minister and is something of a power in his own right.

Tough, smart and one of Indonesia's longest-serving ministers, he is influential in economic policy-making and effectively controls the flow of new joint-venture proposals for signing to Suharto.

He specialises in handling Indonesia's more important negotiations. He was recently put in charge of negotiations over a sensitive territorial dispute with Malaysia.

Earlier, in the negotiations leading to the birth of the APEC forum, Mardiono was at the centre of a battle between two ministries of the Japanese Government. The Ministry for International Trade and Industry (MITI), the original advocate of APEC, found itself locked in a struggle with a jealous Foreign Ministry, which was anxious to scuttle the plan.

The Japanese embassy in Jakarta, doing the bidding of the Foreign Ministry, tried to sabotage MITI's lobbying in Indonesia.

At a key meeting, when a top MITI official called on Mardiono to probe Indonesia's feelings about the plan, the interpreter provided by the embassy refused to translate his Indonesian words into Japanese. Mardiono immediately switched into English, engaged the MITI official and offered Indonesian support for the plan, sidestepping the trap and giving APEC important early encouragement.

But when the Australian negotiators first met him to explain the Keating proposal for a security treaty, Mardiono was not encouraging. His main message was to explain the serious difficulties the Indonesian side faced.

Murdiono and his officials told Gration, Gyngell and the third Australian negotiator, the ambassador to Jakarta, Mr. Allan Taylor, that such an agreement would be seen to infringe Indonesia's tradition of independence. It could inflame domestic political sensitivities about the paramount importance of Indonesian neutrality.

In short, it would be difficult to build any sort of Indonesian consensus to carry forward such an agreement. Murdiono asked the Australians to go away and prepare a document that could be used as the basis for Indonesian consideration of the idea. The document was to have no official status - resorting to a diplomatic ploy commonly used to protect the participants in sensitive negotiations, it was to be a "non-paper". For formal purposes, it would not exist.

Back in Canberra, Gration and Gyngell put together the non-paper in consultation with Keating, Gareth Evans, Robert Ray, the chief of the defence forces, General John Baker, and a handful of senior officials.

The three-page document set out what Australia was proposing: an agreement on security co-operation for the benefit of both countries based on shared strategic interests. It said such an agreement would strengthen stability and security resilience in the region, and demonstrate the trust and confidence each had in the other. An agreement, the non-paper said, would provide a formal basis for the defence relationship between the countries.

The non-paper also set out what the proposal was not. It was not a non-aggression pact. It was not a NATO-style pact where an attack on one signatory could trigger an automatic commitment of support by another. It was not a comprehensive treaty but was restricted to security only.

The non-paper was delivered to Murdiono. Gration and Gyngell returned to Jakarta to work through it with the Indonesian interlocutor in September 1994.

The Indonesians scrutinised the proposal through a committee headed by the country's leading strategic thinker, Admiral R.M. Suardi, senior adviser to the minister for defence and security. Suardi seemed to be well disposed to the concept. He advocated the idea of a post-Cold War strategic realignment in the region: "Every country in the region should adjust its strategic orientation . . . and should co-operate and form an equal partnership with others."

But, apart from intermittent discussions through Allan Taylor in the Jakarta Embassy, the dialogue entered a pregnant pause, which continued for a full year. Keating, believing Indonesia needed to digest the proposal at its own pace, did not press the issue.

And when he next met Suharto, at a Bali hotel in September 1995, it was Suharto who raised the issue. In his first response to the proposal, he said he was willing to move to the next step - developing a draft text. It was the breakthrough.

A small group of officials in the Department of Prime Minister and Cabinet, led by the head of the international division, Michael Thawley, now John Howard's adviser on foreign affairs, drafted a basic agreement. Gration and Gyngell returned to Jakarta and, working with a blackboard in a conference room with Murdiono, ground their way through a range of wordings until they settled on an agreed document.

Indonesia's Defence Ministry, armed forces and Foreign Ministry sent senior officials to the final negotiation. It was clear they wanted to be sure their views were represented, but it also meant they were supporting the agreement.

When the foreign ministers of the two countries signed the final agreement on December 18, 1995, they endorsed a document which says "the parties undertake to consult each other in the case of adverse challenges to either party or to their common security interests and, if appropriate, consider measures which might be taken either individually or jointly . . ."

This Article 2 is the crucial operational part of the treaty, the clause which might one day be invoked in the event that Australia or Indonesia is under threat and seeks help from the other.

It is also the focus of controversy. In Australia, the Coalition, in Opposition when the treaty was announced, complained that "adverse challenges" was too vague. The Coalition argued that it could be used as the basis for an Indonesian appeal to Australia to assist in internal political or civil strife, potentially embroiling Australia.

And Gareth Evans publicly conceded that the phrase was "a little ambiguous". How did it find its way into the treaty?

It was not in the original Australian draft, which, rather, spoke of external threats. This language was jettisoned at Indonesia's insistence. The Indonesians were at pains to avoid suggesting they saw any country as a potential enemy. In particular, the negotiators talked explicitly of the need to avoid antagonising China.

The Australians were prepared to agree to the phrase "adverse challenges", to drop any reference to "external". It also occurred to them that - one day - it might be in Australia's interests to have the scope to be able to assist Indonesia in dealing with internal strife.

Both countries subsequently sought to clarify this question by saying the treaty only had external application - but even so, the wording of the agreement remains wilfully ambiguous.

Once the negotiators had finished with the document, Keating and Soeharto took over. Meeting in Suharto's hotel suite during the APEC summit in Osaka last November, the two leaders had the final say.

Suharto agreed to two changes Keating wanted; Keating conceded a couple of changes Suharto proposed. Rather than diluting the document, however, their amendments strengthened it. The treaty finished as it began - a concentrated exercise in diplomacy by leaders.

When the agreement - properly known as the Agreement on Maintaining Security - was finally put before the full Cabinet in Canberra in December, it was a fait accompli. The Cabinet approved it without demur and Gareth Evans phoned his Opposition counterpart, Alexander Downer, to tell him the news.

Downer, who succeeded Evans as minister for foreign affairs, recalls his reaction: "I thought in principle it was an excellent initiative. It's symbolically important because it underlines the value of the bilateral relationship . . . It will give us a framework to develop the security dialogue. The details will be worked out as we go along."

But Downer and senior officials agree that the treaty has not changed the conduct of the daily relationship between the two countries. Says Downer: "What it does in terms of the daily conduct is to provide a backdrop. When we have various issues we have to confront, it will be done against the backdrop of a very strong relationship." After the call from Evans, Downer picked up the phone again to call his leader: "I rang John Howard and I ran through it all with him . . . He was fairly positive about it."

Now, as Howard prepares for his first prime ministerial visit to Indonesia next month, the agreement is a measure of just how strong the Indonesians believe the relationship with the new Australian Government to be.

Australia ratified the treaty simply by processing through the Executive Council - a provocation to the then opposition, now the government, which has since changed the treaty-making process to ensure parliamentary scrutiny. The Indonesian Government announced yesterday that Indonesia had ratified the treaty.

This is powerful proof that the agreement, conceived by Keating in his intimacy with Suharto, has survived the transition and has become an expression of a continuing partnership.

Papua New Guinea

Papua New Guinea: Forces Begin Offensive Against Bougainville Rebels

LD0807165996 Melbourne Radio Australia
in English 1600 GMT 8 Jul 96

[FBIS Transcribed Text] The Papua New Guinea Defense Force appears to have begun its expected major offensive against separatist rebels on the eastern island of Bougainville. About 100 soldiers have been landed on a beach at Aropa, the site of the long abandoned international airport which serviced the province and the big copper mine on the island. Sean Dorney reports that the operation does not involve Iroquois helicopters donated by Australia.

[Dorney] Papua New Guinea Defense Force naval craft ferried the company of troops ashore following a bombardment of the coastline by patrol boat cannon and mortar fire. Bougainville Revolutionary Army sources confirm the landing, which, they claim, is being strongly resisted. The PNG military operation does not have the support of the Iroquois. One was so badly damaged by rebel fire two weeks ago that it may have to be pulled off the island.

The PNG military is now expected to try to drive into the rebel heartland from its Aropa beachhead.

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